

Weinberger Sees Wider Threat By Iran Unless U.S. Acts in Gulf

Reuters

WASHINGTON — Defense Secretary Caspar W. Weinberger, elaborating on President Ronald Reagan's defense of U.S. policy in the Gulf, said Tuesday that a failure to protect Kuwaiti shipping would risk an escalation of Iranian threats against neutral Gulf states.

"We understand the risks involved in our strategy, particularly the protection-of-shipping arrangement with Kuwait," Mr. Weinberger said in a report to Congress.

The report set out in detail the Reagan administration's plan to protect 11 Kuwaiti ships from possible attacks from Iran and reinforced President Reagan's statement Monday night that a failure to act would be a virtual invitation

to the Soviet Union to become the dominant power in the Gulf.

"If we don't do the job, the Soviets will," Mr. Reagan said in a nationally televised speech, defending his plan against mounting

Kuwaiti asserts U.S. officials

opposition from both Republicans

and Democrats in Congress.

The 30-page report was prepared in response to a request by congressional leaders, some of whom are concerned that the administration is rushing headlong into a situation that will greatly increase the risk of U.S. involvement in the Iran-Iraq war.

Senator Sam Nunn, the Georgia

Democrat who is chairman of the Senate Armed Services Committee, said Tuesday that the United States had been manipulated by Kuwait into protecting its oil tankers.

"It seems to me we're being

tweaked a bit by Kuwait because the president says if we don't do it the Soviets will," Mr. Nunn said in a television interview. "Well, guess who invited the Soviets to come in? That was Kuwait, the same people we're now protecting."

The Pentagon report argued: "Protecting 11 Kuwaiti ships under U.S. flag is not part of an open-ended, unilateral American commitment to defend all nonbelligerent shipping in the Persian Gulf."

"It is a limited but effective sig-

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Kiosk

Poles to Accept A U.S. Envoy

WARSAW (AP) — Poland said Tuesday that it has agreed to exchange ambassadors with the United States, ending its four-year veto on accepting a new U.S. envoy in Warsaw.

The government spokesman, Jerzy Urban, said that "both sides have agreed upon accrediting their ambassadors." Further steps were still required, he said, noting that they had "more a technical than a political dimension."

Sources said neither side has submitted names of candidates for the post and that final agreement could be months away. But Mr. Urban's decision to answer a question about the issue indicated that Poland could be prepared to submit a candidate's name, they said.

EC 'Is Not Going Well,' Belgian Official Says

Reuters

STRASBOURG, France — The European Community has more than ever lost direction, giving its 12 government leaders an almost impossible task at their summit meeting this month, the Belgian foreign minister, Leo Tindemans, told the European Parliament earlier.

Mr. Tindemans, however, refused to accept that Belgium was responsible for the failures coming under the term of its presidency, which has seen the traditional hard-liners Britain and West Germany pitted against other mostly Mediterranean states on increases in community spending.

In a gloomy review of the past six months, in which Belgium has held the EC presidency, Mr. Tindemans said: "More than ever we have the impression we do not know what we want. Europe is not going well."

Belgium is due to hand over the presidency to Denmark next month.

Despite strenuous efforts to find compromise agreements, the EC has been deadlocked on virtually every major issue.

It faces a choice of bankruptcy or massive spending cuts because ministers have not agreed on how to deal with this year's budget deficit.

Farm ministers are deadlocked on ways to check soaring farm spending, which consumes more than two-thirds of the annual budget. Other ministers are divided on issues ranging from how much to demand concessions to the liberalization of oil prices.

The burden of decisions now falls to leaders of the EC nations at their meeting in Brussels on June 29 and 30.

"But will they discuss the price of milk?" Mr. Tindemans asked, at

a news conference called to highlight the extent of decision-making required by the summit meeting.

"Never before has a presidency ended with such pressure put on the summit," told the European Parliament earlier.

Mr. Tindemans, however, refused to accept that Belgium was responsible for the failures coming under the term of its presidency, which has seen the traditional hard-liners Britain and West Germany pitted against other mostly Mediterranean states on increases in community spending.

Asked what hopes he had of progress at the summit meeting, Mr. Tindemans said, "I have none."

He said Prime Minister Wilfried Martens of Belgium would tour EC capitals ahead of the summit meeting to push for agreement on three key areas: sorting out the 1987 budget deficit, reforming farm spending and introducing a new system of financing for next year.

"If the heads of government were not to come up with some indication as to how these problems can be resolved," he said, "I would really feel like giving up."

The Belgian presidency has also overseen an EC diplomatic initiative to support an international peace conference on the Middle East. But the initiative, which took Mr. Tindemans to Egypt, Jordan, Saudi Arabia and Israel, was abandoned because of internal divisions in Israel on the issue.

"The electorate has told us that we are obliged to live together."

Compiled by Our Staff From Dispatches

ROME — The results of Italy's general election made a new center-right coalition inevitable, but analysts said Tuesday that the fragmented nature of the vote would make it difficult to form a new government.

Politicians of all parties predicted long, hard bargaining before a government emerges, possibly along the lines of the old five-party coalition.

Voters dealt a major blow to the Communists while increasing support for the Socialists of Bettino Craxi, the former prime minister, and the Christian Democrats.

Between them, the parties will control an absolute majority of 328 seats in the 630-seat Chamber of Deputies, and 161 seats in the 315-seat Senate.

But analysts said the chances of their patching over their rivalry to form a two-party coalition were virtually nonexistent. The Socialists have ruled out the possibility of an alliance with the Communists.

Paradoxically, analysis said, the strengthening of the Socialists and Christian Democrats is going to make them even less ready to compromise than they were before the election. A struggle over the prime ministership between these two parties brought down Mr. Craxi's government in March and made early elections necessary.

At best, South Africa can only say that through grinding attrition, it is blunting the effectiveness of SWAPO's military force, the People's Liberation Army of Namibia, in carrying out the spectacular cross-border attacks that were common 10 years ago. For its part, SWAPO can only say it is holding the African continent's mightiest military power at bay while it continues what amounts to little more than armed propaganda.

Running parallel to the war, at a glacial pace, are efforts by the multiracial transitional government in Windhoek to draft a constitution that could lead to independence for Namibia. The territory, a bit larger than Texas, has a population of 1.2 million, including 100,000 whites.

The independence question has been enormous: an estimated 10,000 SWAPO guerrillas dead in the past 10 years alone; uncounted

In Grinding Namibian War, Pretoria Claims Edge

By William Claiborne

Washington Post Service

— Frozen in fear, the two black insurgents press their bodies against the scrub tree for cover as a helicopter gunship circles overhead, gradually tightening its orbit while a door gunner strains to catch a glimpse of the slightest movement on the Angolan border rushing beneath him.

On the ground, white South African soldiers, following telltale footprints in the sand, close in on their quarry.

An armored vehicle humbers behind the soldiers. A short burst of AK-47 rifle fire from the tree is answered by a stream of fire from the vehicle, and then there is silence as the white platoon leader radios his base for body bags.

This brief and deadly drama is repeated hundreds of times annually as one of the world's longest sustained guerrilla wars — between the South African Army and the People's Organization in northern Namibia and southern Angola — approaches its 21st anniversary.

In a sense, it is a forgotten war, lost in its own redundancy and blurred in the consciousness of a world plagued by similar conflicts on almost every continent. It rolls on as Namibia, which has been administered by South Africa since the Germans were routed from South-West Africa in World War I, gropes toward independence.

The cost in lives and resources has been enormous: an estimated 10,000 SWAPO guerrillas dead in the past 10 years alone; uncounted

civilian casualties on both sides of the border; nearly \$1.5 million a day spent to maintain the South African military in Namibia; and inestimable property losses and monetary drain from the economic dislocation in Namibia and Angola.

The South African Army command does not disclose casualties, but the authorities in Pretoria have announced the deaths of at least 30 servicemen this year, compared with last year's total of about 60.

After all the expenditure of lives and resources over more than two decades of conflict, neither side can claim victory. South Africa is no closer to closing the book on this war than SWAPO is to installing itself in the capital of Windhoek as the leader of an independent Namibia.

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have been flying around for decades, and they aren't ours."

The current flurry of interest in UFOs is led by new books: "Communication" by Whitley Strieber, "Intruders" by Budd Hopkins, and "Light Years" by Gary Kinder.

"Communication" has been on The New York Times best seller list for 16 weeks.

All three tell of personal encounters with aliens, reaching beyond the last great period of UFO enthusiasts in the 1950s, said David M. Jacobs, author of "The UFO Controversy in America" and a historian at Temple University in Philadelphia.

In the 1950s UFO sightings were

in vogue. Now, he said, the aliens

themselves are taken as fact and

attention has turned to the human experience of encounters with them. Indeed, the hottest topic among UFO enthusiasts is what they describe as the federal government's experience with aliens, especially the "Roswell Incident," one of the oldest reported UFO episodes.

Timothy Good, a British UFO researcher, and a group of UFO investigators in the United States say they have documentary evidence that the government hid its knowledge of a "flying saucer" crash in 1947 near Roswell, New Mexico. The accusation is con-

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"Communication"

Kuwaitis Allege U.S. Knew of Silkworm Sites Since Last Summer

By John Kifner

New York Times Service

KUWAIT — Kuwaiti officials and Western diplomats here said last summer that Iran was preparing Chinese-made Silkworm missiles near the Strait of Hormuz, where they could threaten shipping in the Gulf.

Only recently did Washington raise the issue as a major factor behind President Ronald Reagan's decision to offer U.S. Navy escorts for Kuwaiti oil tankers.

The timing reportedly suggests that, rather than being prompted by Iran's preparation of the missiles, Washington's plan to place half of the 22-tanker Kuwaiti fleet under the protection of the American flag was the product of a complicated series of factors.

For the Reagan administration, the arrangement to protect the shipping was believed to have been seen at least in part as an opportunity to counteract the effects of the secret arms sales to Iran last year.

Soviet Considers Giving Rockets To East Germans

Agence France-Presse

MOSCOW — The Soviet Union is considering transferring ownership of its short-range SS-12 missiles to East Germany and Czechoslovakia if the United States persists in excluding Pershing-1A rockets in West Germany by arguing that they are not American.

The Foreign Ministry spokesman, Gennadi I. Gerasimov, said Tuesday that "one can theoretically consider a situation in which the Soviet Union would accept that East Germany or Czechoslovakia ask to keep the SS-12 tactical missiles on their respective territories and to put these missiles at the disposal of these countries."

He said the missiles would be "equipped with Soviet nuclear warheads" and would be considered as "the weapons of a third country."

Mr. Gerasimov accused the United States of using a legal trick to exclude the Pershing-1A. As from a U.S.-Soviet accord on intermediate-range nuclear forces.

Washington argues that the missiles belong to West Germany. The warheads are under U.S. control.

GULF: Weinberger Fears a Wider Threat by Iran

(Continued from Page 1)

of our determination to stand up to intimidation, to support our friends, and to help contain, and eventually end, the Iran-Iraq war."

■ Reagan Assesses Summit

David Hoffman of The Washington Post reported earlier from Washington:

In his address Monday night, President Reagan said that a failure to protect Gulf shipping would allow the Soviet Union to move into the region, and he announced that the United States and its allies had reached "full consensus" on a negotiating position in the Geneva talks on intermediate-range nuclear missiles.

This arms-control proposal, Mr. Reagan said, is to eliminate all shorter-range missiles and wipe out the medium-range missiles in Europe while seeking to eventually eliminate them worldwide.

Mr. Reagan said such an agreement would be "historic," and he urged bipartisan support in Congress for a pact, which would require Senate confirmation.

Mr. Reagan did not mention, as he has in the past, that differences remain over ways to verify the accord and other issues. Nor did the president raise the prospect, as he did last week, of a summit meeting with the Soviet leader, Mikhail S. Gorbachev, in the U.S. later this year to sign the accord. White House officials have said a summit meeting this fall is likely.

In the televised address reporting on the Venice summit meeting of the leading industrial democracies, Mr. Reagan sought to answer

and to reassure moderate Arab countries, including Kuwait, that the United States is not on Iran's side.

"The Americans have known about the Silkworm missiles since last summer," said a high-ranking Kuwaiti official close to the shipping discussions.

The existence of the Silkworms has been well known for months, since last summer in fact, a Western diplomat said. "It's very interesting the Americans are making such a fuss over it now."

An official from a maritime nation recalled being at a meeting in October with U.S. military officials present, at which the threat to shipping from the missiles was discussed. The missiles have a range of about 50 miles (80 kilometers), enough to cover the entrance to the Gulf.

Diplomats said the Iranians are also setting up a Silkworm battery near Faw at the northern end of the Gulf, within range of Kuwait itself, in territory captured from Iraq in an offensive last year. Missiles at Faw could also menace Iraq's ships at its nearby main naval base.

The presence of the Silkworm missiles was disclosed in March by officials in Washington. They said at the time that the missile system had been observed within the previous month.

In Washington on Monday, an official said that the existence of the Silkworm missiles became especially important in mid-February, when, he said, Iran test-fired at least one of them from a base near the Strait of Hormuz.

The Iranians had negotiated the purchase and taken delivery of the missiles over the previous several months, and the official acknowledged that American intelligence might have noted the delivery long before the test firing.

It was in mid-March, according to diplomats, that the United States reached an agreement in principle with the Kuwaitis to transfer 11 tankers to a U.S. holding company in order to make them American-flag vessels.

This arrangement was reached after the Kuwaitis let it be known that they had been negotiating with the Soviet Union for a similar kind of protection. The Soviet Union leased three of its tankers to Kuwait in what Kuwaiti officials described as an agreement under which more ships may be leased at a later date.



Get Out Now/Bettmann
Shabaruddin bin Mohamad, the proprietor, at the satay grill of Haji Tasmin Restaurant.

SATAY: Inside or Outside for Malaysia's National Dish?

(Continued from Page 1)

dence from Britain in 1957, Tunku Abdul Rahman, the first prime minister and a devoted customer, brought the master to London to serve satay to Queen Elizabeth II.

There have been refinements, of course. In the 1930s, Haji Tasmin started serving everybody's satay sauce out of the same bowl, for instance. Business with the *orang perak*, the Europeans, picked up right away.

But it was five decades before Haji Tasmin stopped carting the whole operation around Kajang on a pole across his shoulders, a makeshift grill on one end and a bucket of satay on the other. Only in the mid-1960s did the founder's son bring the business into its current location, an open-air food stall of a

kind common throughout Southeast Asia.

There are other things that will never change. One is the sauce, which is make-or-break for a satay vendor. Haji Tasmin's is a balance of sweet and piquant for which the restaurant enjoys a nationwide reputation.

Another is the ineffable relationship that seems to obtain between the eater of satay and the pleasing cacophony of local street life. The Restaurant Haji Tasmin will never have walls; its only apparent concessions to technology are ceiling fans and a refrigerator.

"It's just not proper to eat satay indoors," Mr. Shabaruddin, a diffident man of 36, said over lime juice the other day. "It's simply not the way it's ever been done."

All is not so clear, however, in the wider world of satay. Just as trishaws have given way to cars and raised wooden houses to apartments, the future beckons to the sellers of satay.

In most respects, Malaysia is impatient to modernize as any other nation in this fast-growing region. It is stumbling, however, on the issue of just what ought to go into the multistorey shopping malls that are springing up in its major cities.

It is a Malaysian dilemma, you might say. Served up without sauce, the question is simple: Whither satay, inside or outside?

Further down the road, Malaysians will have to wonder whether satay will go the way of the hamburger, the pizza, the roast beef sandwich, the two eggs over paper bags, styrofoam, stainless steel

ghosts a few months ago, closing its fourth and final outlet.

A walk down any city street is all the market research that is required. The 400 to 500 hawkers working the streets of Kuala Lumpur, for instance, are doing as well as they ever have, apparently oblivious to the cutting-edge questions that haunt their trade.

"Personally, I just don't like eating satay in a complex," said Teoh Chew Chee, a local journalist, and, as she would say, an amateur "satayphile." "It goes cold too quickly in the air-conditioning."

There is one exception to all this.

In the capital's most popular mall, Satay Anika sells up to 10,000 satay sticks a day, according to Aris Majid, who co-owns the place with his brother Rahman.

Like Mr. Shabaruddin, Mr. Majid also comes from a well-known line of satay experts. His father first started selling the stuff 60 years ago in Port Dickson, a seaside resort then frequented by British rubber planters.

Together, Haji Tasmin's descendants and the Majids account for the two main strains of satay tradition: There are *satay kajang*, *satay majid*, and many nameless variants.

Mr. Majid is most committed to the modern way.

Mr. Majid had the national airline concession until it went into a few years ago. As a government caterer, he served the Shah of Iran and Haile Selassie, the late Ethiopian leader.

Mr. Majid, naturally enough, credits his success indoors to his sauce, which is slightly sweeter than Haji Tasmin's and which he says incorporates peanuts, not groundnuts. And like the bureaucrats who manage Saté Ria, Mr. Majid believes the new frontier is overseas: He is now negotiating with two Los Angeles investors to open an outlet there.

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Presidential Candidates Dig Into Iowa's Grass Roots for Support in 1988 Caucuses

By Bill Peterson
Washington Post Service

MARSHALLTOWN, Iowa — Bert Permar, teacher of government at the community college here, is probing the Democratic presidential race from the living room of his modest ranch house.

He thoroughly enjoys it.

Three presidential candidates — Bruce Babbitt, a former governor of Arizona; Representative Richard A. Gephardt of Missouri, and Senator Paul Simon of Illinois — have already stopped by to meet Mr. Permar and his friends. A fourth, Governor Michael S. Dukakis of Massachusetts, visited the college recently for lunch.

"The heat is on," said Mr. Permar, who has been chairman of the Marshall County Democratic Party "off and on" since 1968. "People are going full steam." And, he added, "my pitch is it has speeded up" since Gary Hart withdrew from the race last month.

Most Americans will pay little or no attention to the 1988 presidential race for a year or more. But for months, a few thousand party activists in Iowa and New Hampshire have been the objects of an intense grass-roots organizing effort by presidential hopefuls in both parties.

The candidates — especially the long shots

— badly need the help of these activists, and will do almost anything to get it. Mr. Babbitt, for example, recruited his first Iowa supporters on a bicycle ride across the state. Later, he loaned two members of his staff to the Iowa Democratic Party for the 1986 campaign.

"I'll make house calls, I'll do windows," the Democratic Rep. said. "Bob Dole of Kansas, told an Iowa audience, 'I'll do whatever it takes.' He added that if he could not be elected, his wife, Elizabeth, the secretary of transportation, "for you."

Grass-roots organizing is an insiders game, tedious and time-consuming. Not long ago, Mr. Babbitt's campaign claimed a major victory after the former governor signed up 15 new activists during a five-day visit to Iowa.

"The rule of thumb is you need to pick up two new ones a day," said Mr. Gephardt. "There's nothing easy about it. It's three yards and a cloud of dust."

Mr. Permar, 58, understands the process.

Jimmy Carter, then an obscure former governor of Georgia, was the first presidential hopeful to visit his home. That was in October 1975. Thirteen months later Mr. Carter was elected president. A victory in the Iowa precinct caucuses gave him his first big boost.

Now almost every Democratic candidate is trying to duplicate what Mr. Carter did, and

Mr. Permar's living room has become a broker-

age house for presidential politics. He will invite a couple dozen activists to meet with any candidate who asks.

"It's really a nice way to campaign," said Mr. Permar. "I think this is the way democracy was meant to operate."

The idea behind grass-roots organizing is to build a small circle of highly committed supporters, then expand the circle again and again, creating concentric rings like those formed by dropping a stone in water.

In her book "Hart and Soul," Susan Berry Casey quoted Mr. Hart to explain the theory to a group of early followers:

"Each circle creates another slightly bigger circle until we have 30 or 40 committed people talking about this candidate and this candidacy, spreading the message. Eventually, a year from now, we will be delivering that message to the general voting population, the last and biggest circle."

Candidates start building their circles among a small group of "key" activists. About 500 Iowans in each party are considered part of this group.

Some activists want to influence policy or the course of the nation. Some hope for a trip to their party's national convention or an invitation to the White House. Others like the status

an attachment to a presidential campaign gives

them, and the attention candidates bestow on them. They are rarely paid.

Iowa is considered a far more difficult state to organize than New Hampshire. Unlike in New Hampshire, people in Iowa declare their presidential preferences in precinct caucuses, which are essentially neighborhood meetings.

"In a primary state all you have to do is to get people to go to their normal polling place and vote," said Paul Tully, a veteran political operative now with Mr. Dukakis.

"In Iowa," he said, "you have to persuade people to drive to a building that may be 30 or 40 minutes away from their home on a cold winter night. Stay there three and a half hours and then declare their presidential preference in front of their neighbors. It puts a tremendous burden on an organization."

Candidates seek support of established local leaders because they can bring their own political networks into a presidential campaign, and lend credibility to the candidates they back.

Other key activists are party office holders and former campaign workers such as Mr. Permar, unknown beyond their own communities. They are sought after because they can provide links to a second, larger tier of activists.

Mr. Carter began courting Iowa activists in February 1975, about a year before the caucuses. He would be a slow starter by 1988 stan-

dards. As of June 5, Mr. Gephardt, the apparent leader, had spent 77 days in Iowa.

The opening rounds of presidential politics in the state are essentially exercises in collecting names — names of voters to telephone, to send letters to, to invite to meetings, to solicit money from and to recruit as campaign workers. They are conducted in living rooms, small-town coffee shops and hotel meeting rooms.

There are about 599,000 registered Democrats and 537,000 registered Republicans in Iowa. About 100,000 — or fewer than one in five — are expected to participate in each of the caucuses.

"The name of the game is to get 30,000 or 35,000 supporters to go to caucuses Feb. 8," said Chris Hamel, Mr. Babbitt's Iowa coordinator. "That's the only true measure of support. Ultimately, polls are irrelevant. The only true measure is your list of supporters. So everyone is building up a list of names. Then, you use those names to get other supporters."

A then unknown Republican political operative named Rich Bond, now political director of Vice President George Bush's campaign, is the established expert in this type of grass-roots organizing. In 1980, he did a thorough job of identifying Bush supporters that the week before the caucuses he was able to mail special election kits to 8,000 Republican households.

"For the moment," said Steve Roberts, Mr. Dole's chairman, "Bush is front-runner here. He has the best organization. He knows where the bodies are buried. But we're moving up. It will be a real battle of grass-roots organization."

Mr. Gephardt and Mr. Babbitt are said to have the "best organized" Iowa campaigns on the Democratic side, largely because they have spent more time and effort than their rivals developing lists of supporters.

In April, Mr. Babbitt became the first candidate to contact by phone and letter every Democrat who attended the 1984 caucuses.

Mr. Gephardt used a different organizing strategy. He has spent a great deal of time cultivating union, education and farm groups, hoping to plug into their network of supporters.

Reagan Says No Clues Indicate He Was Aware Of Secret Contra Aid

By David Hoffman
Washington Post Service

WASHINGTON — President Ronald Reagan said Tuesday that "there ain't no smoking gun" to show he was aware of the diversion of money from Iran arms sales to the Nicaraguan rebels. He also attacked the Iran-contra congressional hearings, saying they are filled with "hearsay" that would not be permitted in court proceedings.

Mr. Reagan, answering questions from reporters at the White House, responded sharply when asked whether he was emphasizing the subject of budget reform as a means of diverting attention from the Iran-contra affair.

"I think that spotlight has been growing so dim in recent days that when you get a mile and a half away from the Potomac River, an awful lot of people have gone back

Guatemala Talks On Regional Pact May Be Postponed

New York Times Service

MANAGUA — A meeting of Central American presidents scheduled for later this month to discuss a regional peace plan has been put in doubt by a request from El Salvador that it be postponed.

The session has been planned for June 25 and 26 in Guatemala City, to discuss the plan offered by President Oscar Arias Sánchez of Costa Rica. American officials have criticized it as too lenient toward Nicaragua.

Among several political and military steps, the Costa Rican plan calls for a cutoff of aid to rebel groups in the region, effectively destroying the American-backed contra rebels and insuring the survival of the Nicaraguan government.

President José Napoleón Carrillo of El Salvador said he wanted the talks to be delayed indefinitely to permit further preparatory meetings among the region's foreign ministers.

Senate Panel Bars Abrams Testimony

New York Times Service

WASHINGTON — Senator Christopher J. Dodd, chairman of a Senate Foreign Relations subcommittee on Latin America, has barred Elliott Abrams, an assistant secretary of state, from testifying on the situation in Panama because he is not a credible witness.

In a highly unusual step on Monday, Mr. Dodd, Democrat of Connecticut, told the State Department that Mr. Abrams, who is not responsible for the department's Latin American affairs, would not be permitted to testify before his panel because of criticisms relating to the Iran-contra hearings.

Mr. Abrams came under intense criticism at the Iran-contra hearings for giving misleading testimony. "As far as Congress is concerned," Mr. Dodd said, "Elliott is a man without a mission. His time is up. There is a price to pay for misleading Congress." Several members of Congress have asked Mr. Abrams to step down.

Walter Heller, Economist Of 'New Frontier,' Dies

The Associated Press

MINNEAPOLIS — Walter Heller, 71, an economic adviser to two U.S. presidents and one of the leading figures of the New Frontier, died of a heart attack Monday while visiting relatives near Seattle. Mr. Heller was chairman of the President's Council of Economic Advisors from 1961-64, and served as a consultant to President Lyndon B. Johnson until the end of his administration.

He most recently was professor emeritus at the University of Minnesota.

Although Mr. Heller underwent surgery for prostate cancer in 1978, he continued to make frequent appearances on television and before congressional committees.

He once cautioned the Senate Budget Committee that a constitutional amendment for a balanced budget, one of President Ronald Reagan's favorite projects, was a "simplistic approach" that was "beset with simply prohibitive difficulties of definition, administra-

AMERICAN TOPICS

Educator Defines What Illiteracy Isn't

If you can't define quarks, you're a scientific illiterate, or so some educators say, according to Paul Woodring, himself an educator and psychologist. Likewise, if you don't know the results of the Treaty of Tilsit, you're a historical illiterate. And if you can't draw a map of Central America, you're a geographical illiterate. Add together all those who can't and you would have a nation of illiterates, says Mr. Woodring, writing in *The Chronicle of Higher Education*. And this, he says, is nonsense.

The president also bristled at a question about Democrats whose campaign for the presidency attack the integrity of the Reagan administration. Mr. Reagan said the Democrats are using "demagoguery" and he insisted "there's been no violation of ethical standards in his administration."

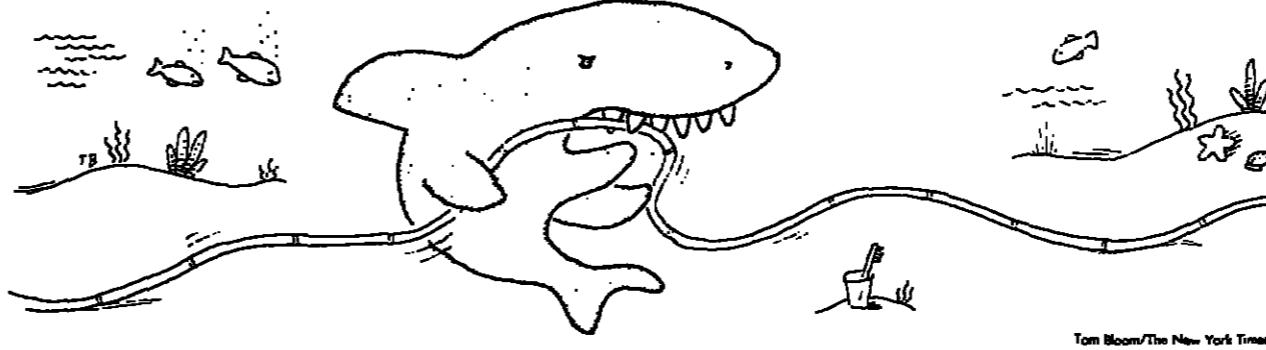
Mr. Reagan's "smoking gun" remark was made later, as he went to Capitol Hill for talks with Senate Republicans. He was referring to congressional questions over the weekend about a memo written by administration subordinates that appeared to be destined for Mr. Reagan.

The memo called for approval of the diversion of funds to the rebels from the Iran arms sales. Mr. Reagan has said he never knew of the diversion. Mr. Howard H. Baker Jr., said Tuesday that the president did not receive the memo and did not know about it.

Mr. Reagan's remarks came as the congressional committee investigating the affair released transcripts of testimony from two women who worked as secretaries for Richard V. Secord, a retired air force major general and a principal figure in the Iran-contra scandal. They.

One of them, Shirley Napier, described flying to Miami in August 1986 to pick up \$16,000 in cash, which she delivered to Fawn Hall, who was Lieutenant Colonel Oliver L. North's personal secretary. Colonel North, a former National Security Council aide, has been accused of diverting the profits from the Iran arms sales to the contras.

When she testified last week, Miss Hall said she had no memory of getting the package from Ms. Napier, but she did not deny it could have happened.



Short Takes

To stop sharks from munching on the new fiber-optic telephone cables being tested on the ocean floor, the American Telephone & Telegraph Co. plans to sheath the lines with steel tape. Fish never damaged the older copper telephone lines. Scientists say that sharks are supersensitive to electrical signals, and the new cable is thinner than the old — about the size of a garden hose — but carries a stronger electrical current. A single bite on a deep-sea line can cost \$250,000 or more to fix. Fiber-optic cable will be laid next year across the Atlantic and Pacific.

Philadelphia has enacted a law making recycling mandatory. It will require separation of trash into four categories — food

scraps, glass, metal, and all other trash — within two years. It is the first major American city to adopt such legislation. Mayor W. Wilson Goode objected, saying he favors burning trash to create steam power. Everyone agreed that something has to be done; the city is running out of landfills in which to dump its garbage.

Testifying in his own defense for a Dec. 10 shooting spree that killed the mayor of Mount Pleasant, Iowa, and injured two city council members, Ralph Davis, 69, said, "I just wish I'd killed them all." Mr. Davis said the council had repeatedly ignored his request to reimburse him for \$300 worth of damage to his basement from a backed-up sewer. The jury rejected his insanity defense and found him guilty of

first-degree murder, which means a mandatory life prison sentence.

When people reserve tables at the Brive, a new French restaurant in Manhattan, and then fail to show up, they get a telephone call from the owner, Bob Pritsker, asking them to explain. "Because we are fabricating fresh food against count," he said, "it is an enormous cost when patrons do not show up as promised." And what are the reactions when he phones? "Everything from shouting obscenities into the phone to apologies and offers to send me a check."

Notes About People

"I, for one, am very pleased" that the French academy of fine arts chose Richard M. Nixon for

membership, wrote Paul Richel in a letter to the Los Angeles Times.

Noting that Mr. Nixon replaced the pianist, Arthur Rubinstein, who died in 1982, Mr. Richel wrote that "they could have selected an ex-actor, but they thoughtfully picked a known piano player."

Senator Robert W. Kasten Jr., Republican of Wisconsin, was sorting through some postcards at the Senate gift shop the other day when one caught his eye. Noting that Mr. Nixon replaced the pianist, Arthur Rubinstein, who died in 1982, Mr. Richel wrote that "they could have selected an ex-actor, but they thoughtfully picked a known piano player."

Mr. Kasten, who is chairman of the gateway project along with Peter Brown, an architect, "It's like having guests and saying you've got garbage on the lawn."

The \$7.5 million project is being financed by Houston Lighting and Power, the Texas Department of Highways and Public Transportation, the City of Houston and numerous businesses.

The project is getting underway along two miles of the North Freeway, where oleander and crepe myrtle will soon be planted.

New overhead direction signs will be installed and power lines relocated. Officials involved in the project also hope that roadside businesses will agree to reduce the number and size of their signs.

But the biggest challenge is the billboards. Although a recent city law prohibits any new signs, existing ones along federal highways cannot be ordered down without cash compensation to their owners under the federal Highway Beautification Act.

Leaders of the gateway project have negotiated with the billboard industry about voluntary removal of the signs, but so far the results are little evident.

N.Y. Jurors Acquit Goetz In Shootings

Compiled by Our Staff From Dispatches

NEW YORK — A jury found Bernard H. Goetz not guilty Tuesday on charges of attempted murder for shooting four young men on a subway car in 1984 but convicted him of a lesser criminal charge of illegal weapons possession.

Mr. Goetz, who had said he fired in self-defense as the four tried to rob him, brawled no emotion as the jury foreman read the verdicts in a case that became a focus of worldwide attention.

Some Americans supported Mr. Goetz for the fear of crime that drove him to shoot the young men while others castigated him as a "subway vigilante" who had taken the law into his own hands.

Mr. Goetz, a 39-year-old electronics technician, was charged with attempted murder, assault, reckless endangerment and weapons violations in the December 1984 shootings of Darryl Cabeys, Troy Canty, Barry Allen and James Ramseur. Mr. Goetz is white and his four victims are black.

Criminal possession of a weapon in the third degree carries a minimum penalty of 28 months in prison and a maximum term of seven years. Judge Stephen Crane set sentencing for Sept. 4.

Mr. Goetz could have faced as much as 30 years in prison if convicted on all charges.

The key question in the case was whether he acted as a reasonable man when he shot the four, who said they were panhandling on the subway when they asked him for \$5. Mr. Goetz said they were trying to rob him and told the police soon after the shooting: "My intention was to murder them, to hurt them, to make them suffer as much as possible."

The jurors reached their verdict on the fourth day of deliberation, shortly after they asked to reheat testimony by the only witness who said he saw Mr. Goetz shoot one of the four while the young man was seated.

In all, Mr. Goetz was acquitted on 12 charges. He was found guilty only of third-degree weapons possession for using an unlicensed revolver.

The prosecutor, Assistant District Attorney Gregory Waples, called Mr. Goetz a "dark spirit" who had fired in a "blind, self-righteous, volcanic fury."

The defense attorney, Barry Slotnick, portrayed Mr. Goetz as a victim who saw that the four youths were about to rob him and shot them first.

(AP, UPI)

Ex-Envoy Flees, Vows to Oppose Panama's Leader

By Stephen Kinzer
New York Times Service

PANAMA CITY — A leading Panamanian businessman who was once ambassador to the United States has fled into exile and vowed to wage a worldwide campaign to oust Panama's military leader, General Manuel Antonio Noriega.

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The Street Signs in Korea

An important element has been added to the perennial confrontation between radical students and the police in South Korea. In clashes that have now spread from Seoul to other cities, students are being cheered on by a middle class that has so far shown scant sympathy for their demands.

This surprising support arises from outrage over President Chun Doo Hwan's choice of an army cronie to succeed him in this year's presidential election, so arranged as to guarantee victory. That would bring seven more years of illegitimate, quasi-military government, and that is unacceptable to many South Koreans. Unless the government is now willing to give some political ground, greater turmoil is inevitable.

It seems evident that the United States, for its part, has failed to convey clear and consistent signals to Mr. Chun on the need to accommodate this new middle-class movement. Worse, the Reagan administration, beset by disagreement over Korea and by general disarray, says it won't press the issue.

These protests began when the Democratic Justice Party endorsed Roh Tae Woo as its presidential candidate. Mr. Roh, though reported to be less rigid than the highly unpopular Mr. Chun, won his designation only after the government suspended public debate over the form of electoral reforms. Opposition leaders wanted direct popular elections for a constitutionally strong president, believing this would give them a fair chance to win. The ruling party instead offered a switch to parliamentary rule, leaving the mil-

itary free to corner a majority by controlling the many scattered rural constituencies. Democracy can be either presidential or parliamentary, but it must be recognized as free of coercion. After months of fruitless discussion, Mr. Chun abruptly deferred the issue until the next president's term, leaving in place a manipulable electoral college.

That leaves an unresolved legitimacy question that could severely taint Mr. Roh's mandate. The Chun regime came to power by military coup and has never lived down its subsequent bloody root of a 1980 civil insurrection in the southern city of Kwangju.

South Korea's economic miracle, which owes much to the growing middle class, is jeopardized by this continuing political crisis. So, in a less direct sense, is South Korea's security against attack from the Communist North, a cause to which 40,000 U.S. troops are committed. With the Olympics scheduled for Seoul next year, there is extensive potential for increasing turmoil, unless a political accord can be achieved.

It won't be easy to reach such an accord with the main opposition parties. Their leaders remain stymied by personal rivalries and worries about being outflanked by students on their left. And, rightly, they are unwilling to assent to a rigged electoral process that would confer legitimacy on the military regime.

The results of the failure to agree on a legitimate electoral system, predominantly the fault of the government, can now be seen on the streets, all over South Korea.

—THE NEW YORK TIMES.

A Moscow-Marine Muddle

The espionage cases against the marine guards at the U.S. Embassy in Moscow have begun to fall apart. There are two possible explanations: Either the original charges were blown out of proportion and no serious offenses occurred, or a serious case was mishandled by investigators and now a prosecution is impossible. In either case there appears to have been a terrible bungle, and an explanation is owed.

The cases came to light in January when the Marine Corps revealed that Sergeant Clayton Lonetree had confessed to giving secrets to a woman who was a KGB agent. Sergeant Lonetree was then said to have implicated Corporal Arnold Bracy, who was arrested in March on suspicion of espionage. Both were charged later with having allowed Soviet agents to enter and roam through the embassy, where they were alleged to have had access to classified documents and codes. Subsequently, another marine who had served in the Soviet Union, Sergeant John Weirick, was arrested and held for questioning in connection with espionage charges; a fourth, Staff Sergeant Robert Stufflebeam, was accused of having sexual relations with Russian women.

All 28 guards at the embassy in Moscow were ordered home in April. This was, of course, a heck of a story involving, as it did, international intrigue, spies, sex and an elite corps of young military men. Cabinet members and other high government officials

expressed outrage and hinted of irreparable damage to the security of the Western world.

Members of Congress denounced the U.S. ambassador and the Moscow embassy staff for a horrendous failure to maintain security, and called for their punishment.

Then, gradually, the story began to unravel. The most serious charges against Sergeant Lonetree — that he had allowed Soviets inside the embassy — have been dropped. Those stemming from his confession that he had been involved with a woman are still pending. Sergeant Weirick was never charged and has been released. Corporal Bracy recanted his confession, saying it had been coerced. In the absence of any physical evidence to substantiate the confession, the Marine Corps now has dropped the charges against Corporal Bracy and released him from custody.

What's going on? Is there a major scandal here or not? Are we left with two cases of young marines who, in the end, will be charged only with having Russian girlfriends? Was there or was there not a real breach of security at the embassy? Were KGB agents inside the building at all? And if all of this did happen but no prosecutions can be brought, what happened during the investigation that sabotaged the cases? The slow sorting out, the trickling away of charges, won't do. The public, and the young men involved, deserve no less than an explanation of what has happened and why.

—THE WASHINGTON POST.

U.S. Is Cheating on AIDS

In Venice, President Reagan joined other representatives of the democratic nations in urging the World Health Organization to lead an international charge on AIDS. Back in Washington, the United States remains \$118 million in arrears on its treaty-obligated assessments for that same World Health Organization, and it is similarly behind in what it has pledged to give to a key Latin AIDS combatant, the Pan American Health Organization. Across the whole range of United Nations activities and agencies — in fact, across the whole range of programs for international development — the United States cheats on its political interests and on its legal and moral obligations. Meanwhile, as in Venice, the administration hails the uses of the organizations that are deprived of American funds.

The UN and its specialized agencies came to be squeezed by a common executive-congressional desire to 1) force the UN system to become more efficient and more amenable to U.S. purposes ("reform") and 2) cut the U.S. budget. By general agreement in Washington and New York, some progress has been achieved toward the first goal, which is a

worthy one. But budget considerations are still keeping the United States from making good on resuming full funding, which was to be the UN's reward for undertaking reform. American good faith is at issue.

The squeeze on development can be traced back in part to these considerations. But more was at work here: some flawed political choices made by both the administration and Congress. In fact, the United States increasingly has three-country-wide foreign aid program — and a program that places military over economic aid. Israel, Egypt and Pakistan get the lion's share, a politically privileged share that grows even as the shares of others shrink.

The aid program is now in a knot that Congress and Mr. Reagan have been unable to agree how to untie. But there is an obvious (and urgent) way to do it: either raise the extra revenue to pay for important aid programs or redistribute the available funds so as to give a larger amount to development aid and to recipients without political guardian angels.

—THE WASHINGTON POST.

Other Comment

John Paul's Trip to Poland

Pope John Paul II's trip to Poland presumably brought diplomatic relations between Warsaw and the Vatican ardently desired by the Communist regime, a step closer. But the pope, on his third visit to his native land, made it surprisingly plain that formal ties will not be on the cozy conditions favored by the Polish government.

General Wojciech Jaruzelski believes that diplomatic recognition by the Vatican would enhance his government's international standing, thereby aiding the quest for foreign credits. He also wants to enlist the pope's help in promoting a spirit of "normalization" inside Poland. John Paul, for his part, is apparently convinced that diplomatic relations with Warsaw could open the way to ties with other East European governments.

However, John Paul confounded all those

who expected him to counsel patience. He publicly challenged General Jaruzelski to honor human rights, implicitly blamed Communist ideology for Poland's economic problems, denounced political discrimination against private farmers, praised the outlawed Solidarity movement as a model for human rights struggle and indirectly suggested that the relationship between Polish bishops and the regime has been too comfortable lately.

By his outspokenness, the pope probably gave up any chance of being invited to the Soviet Union, where his Polish trip was piously criticized Monday by Izvestia. The Polish government was visibly taken by the pope's pointed remarks, too. But, since Warsaw needs an accommodation with the Vatican worse than the Vatican needs the blessing of Warsaw, talks toward formal ties probably will stay pretty much on track.

—The Los Angeles Times.

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A Trans-Atlantic Task: To Complete the Marshall Plan

By Richard von Weizsäcker

This is adapted from a commencement speech by the president of West Germany that was delivered last week at Harvard University. It is the second of two parts.

CAMBRIDGE, Massachusetts — The second challenge of our time is a matter particularly close to our heart and responsibility as Europeans and Germans: East-West relations.

The purpose of the Marshall Plan was to assist and unite the whole of Europe. At the time, Poland, Hungary and Czechoslovakia in particular wanted to participate. But Stalin distrusted the American offer. For his own designs, he expected a weak Europe to be more useful. As a result, the division of Europe grew worse. Today the continent is divided into two seemingly irreconcilable systems with the world's largest military arsenals.

Is the division final? Do the Europeans accept it as an immutable lot?

Among Western Europeans is a growing perception that we harm ourselves if we try to convince ourselves that the East does not concern us. As Vaclav Havel put it, "How ambivalent our Western happiness would be if it were obtained permanently at the expense of Eastern misery."

For you here in America it may be difficult to appreciate such European feelings. Many of you may perhaps even regard this as a source of estrangement between America and Europe. But what is the essence of our partnership? Surely, it is the concept of freedom. Freedom is inseparable from responsibility. We would not only be disloyal to our own ideals, we would in fact destroy them if we were to claim freedom only for ourselves and not others.

Anyone of you who visits Berlin will appreciate what I mean. For 26 years now, a wall has sliced through the middle of the city. It separates people who belong to the same family, are of the same spirit, have the same hopes, breathe the same air, face the same future. But it has failed in its true purpose: it has not made people become resigned to division.

On the contrary, this dead structure is a vital and daily reminder of what it

was intended to make us forget: our feeling of belonging together.

Anyone who looks at the Brandenburg Gate in the heart of Berlin will feel with his own heart what we mean: As long as that gate remains closed, the German question remains open.

This is not any unrealistic yearning or nationalistic nostalgia. It is a very simple human feeling. We do not want new conflicts about borders. We have learned painful lessons from history. This is the core of the open question for all Europeans: a question concerning human rights and human dignity for everyone, not just for one nation or solely for the West.

What is now a consistent policy of East-West understanding. This does, of course, not imply acceptance of the other system. Faith-healing is no policy. Opposing convictions and divergent interests will persist. Nor must we neglect our security. Anyone who can no longer defend himself will fail politically.

However, politics does not serve defense, but defense serves politics. For all too long, East-West relations were dominated merely by the concept of security. It seemed as though deterrence was the only language in which East and West could communicate with one another.

In actual fact, security itself necessitates a policy of confidence-building and interdependence. It was the policy of a Harvard professor, Henry A. Kissinger, in the SALT negotiations, that first drew the inescapable conclusion that security by dominating modern weapon systems can be ensured only through cooperation. That was the first step; we must find "currencies" other than just military power for dealing with one another.

At present, the Soviet Union is making great efforts to gain ground. Its program is designed to bring about fundamental changes in domestic structures and mentalities. To this end, it seeks to widen cooperation with other countries. Of course, the Soviet Union wants to serve its own purposes and not to do us a favor. Is this a disadvantage for us? The deficiencies that the Soviet Union is trying to correct arise from a closed system providing no incentives, no co-determination, no free information. The people are the losers, not only in material terms. If there is a chance for further opening steps, this is a risk for us. Should we respond with rejection, new confrontation and confrontation?

The Soviet Union is neither a mere public-relations system founded exclusively on ideology nor a blindly obsessed world-revolutionary. At the top of the East-West agenda is not the ethic of self-interest, and, in contrast, our history have we avowed it so eloquently, repetitively, even righteously as in these last years under Ronald Reagan. Yet our system requires that a more dramatic convergence concerns the ethics of socialism and of capitalism. For 70 years in Russia there has been determined and mind-numbing emphasis on the socialist ethic. Nothing has been so condemned as the pursuit of pecuniary self-interest, no one so reviled as the capitalist profiteer.

But now it is recognized that the modern economy, with its dismaying diversity of products, designs, designer styles and services, works only as individuals and firms identify and respond to what others want and, in greater or less measure, are compensated accordingly. The Russians, as

do we, see the entrepreneur as an escape from the heavy hand of industrial bureaucracy. Here emerges the ethic of self-interest, as to bureaucracy, we and the Russians have a common concern.

The more interesting and possibly more dramatic convergence concerns the ethics of socialism and of capitalism. For 70 years in Russia there has been determined and mind-numbing emphasis on the socialist ethic. Nothing has been so condemned as the pursuit of pecuniary self-interest, no one so reviled as the capitalist profiteer.

Here again the parallel, or perhaps more precisely the mirror image, in the United States, of course, is the ethic of self-interest, and, in contrast, our history have we avowed it so eloquently, repetitively, even righteously as in these last years under Ronald Reagan. Yet our system requires that a more dramatic convergence concerns the ethics of socialism and of capitalism. For 70 years in Russia there has been determined and mind-numbing emphasis on the socialist ethic. Nothing has been so condemned as the pursuit of pecuniary self-interest, no one so reviled as the capitalist profiteer.

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do we, see the entrepreneur as an escape from the heavy hand of industrial bureaucracy. Here emerges the ethic of self-interest. In keeping with this ethic, some will become affluent, perhaps even mildly rich. In larger consequence the social ethic must cohabit with that of personal gain.

Here again the parallel, or perhaps more precisely the mirror image, in the United States, of course, is the ethic of self-interest, and, in contrast, our history have we avowed it so eloquently, repetitively, even righteously as in these last years under Ronald Reagan. Yet our system requires that a more dramatic convergence concerns the ethics of socialism and of capitalism. For 70 years in Russia there has been determined and mind-numbing emphasis on the socialist ethic. Nothing has been so condemned as the pursuit of pecuniary self-interest, no one so reviled as the capitalist profiteer.

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But now it is

OPINION

Inside the Power Cocoon, The View Can Be Clouded

By William Safire

WASHINGTON — In a film drama to be shown years from now, a tall, beautiful woman granted total invulnerability will take her place at the witness table and defiantly face the grim-visaged congressmen.

"Is it a fact, mnh dear," a caricature of a senator will draw, "that you smuggled a passed of secret papers out to the accused, Colonel South, in yo' underwear?"

Amid sexist snickering, the cool beauty flashes him a look of scorn. She rises, snatches a sheaf of testimony from the

ESSAY

table and stuffs it in the back of her dress. She slowly turns all the way around for the photographers, the hidden documents seamed by her waist cinch, leaving the underwear question moot and the lascivious questioner bug-eyed.

Cut to the scrupulously fair committee chairman, played by an Asian Lewis Stone, who gently puts to the witness the question all America is waiting to hear: "Doe, tell us the truth. Are you in love with Colonel South?"

A hush in the caucus room and in every living room and saloon with a television across the land. The witness hesitates, playing for time by leaning forward, reaching behind her neck and extracting the sheets of testimony one by one. Her lawyer drapes his knitted hat over the microphones and stage-whispers, "You don't have to answer that question."

Closed-up on her eyes, beginning to form tears. "Mr. Chairman, Colonel South is a happily married man."

"We all know that, Miss," intones the understanding chairman. "Nobody here suggests that your relationship has been anything but honorably professional. But all America has an urgent need to know: In your heart, as you sit before us today, are you in love with Colonel South?"

Before she can answer, a man in a Marine uniform in the audience leaps to his feet, medals flashing...

Loyalty and More

FAWN Hall's two days in the lime-light turned out to be more than a photo opportunity. Articulate and poised, she embarrassed those who had lumped her into the bimbo brigade. Young, pretty and crucial, she unsettled the men who interrogated her.

How often was Ms. Hall dubbed the ideal secretary? Loyal and smart, loyal and skilled, loyal and beautiful, loyal and loyal and loyal. She took, in more ways than one, dictation. She shared her boss's ideology without exposing the details.

But in the end, the woman who swayed so many with her loyalty proved that she could do more than type. She told.

— Syndicated columnist Ellen Goodman.

You can write the rest of the half-fictional scene yourself, as millions of viewers of the Iran-contra hearings already have. My point in taking a first crack at the screenplay is to suggest that the four-handkerchief docudrama we will see on the screen in a few years will be closer to the truth than the real-life version we saw on the screen last week.

Romanticism assume Ollie North and Fawn Hall must be in love — not the hankie-panky kind of love, but the pure, noble kind that is required and sublimated in the passion of working side by side in a cause greater than self.

Not to have been caught up in such an office affair of the spirit is not to have lived. The elixir can be brewed in the crucible of a proxy fight in the executive suite, or produced in a struggle for supremacy in the academic world, or whipped up in the furious jockeying-for-position in the art world or show business or sports.

Most often, the field of politics is where people fall for each other and lose themselves in a cocoon of a cause. The place where straight arrows fly highest and fall to earth quivering with the greatest intensity is in the White House, most particularly in the Old Executive Office Building next door.

I spent four years in suite 125 of those environs; speechwriters never make it to secret agent, but I know the feeling of being a member of a brave band of right-minded guys and gals, charged with responsibility no outsider can imagine, working all hours with bright minds often in good-looking heads, growing ever more contemptuous of the villainous obstructors out there with little faith, less vision and a paucity of patriotism.

It stirs the youthful soul and warps the impressionable mind. What begins in justifiable enthusiasm for a good end (stopping communist penetration of the Western Hemisphere is a good end) can easily overlook the need to proceed by ponderously lawful means.

At that point, the tight little band — loving the cause, loving the country, loving each other, loving every exhilarating, exhilarating moment — is in desperate need of a boss with a large wet blanket. Directly above were Colonel McFarlane and Admiral Poindexter, both military apparatchiks; the men responsible for operations were William Casey and Donald Regan, mature hands who should have known that bad means can corrupt and defeat good ends.

That is how an intelligent 25-year-old woman of fine repute with a top security clearance could put her loyalty to her team leader above "the written law." "Us against them" was the motto of the power cocoon, even when the FBI became "them." And the docudrama will leap to the conclusion that it was all for love.

The New York Times.



LETTERS TO THE EDITOR

Privatization in France: Hardly a Record of Inefficiency

The article "Privatization Proves Inefficient" (Special News Report on France, June 1), contains such inaccuracies that your readers are liable to be misled as to the handling and result of privatization in France. I therefore find it indispensable to set the record straight on the main issues discussed in the article: share-price setting procedures; the extent of the growth in small shareholdings; the formation of a "hard core" of stable shareholders; and openness to foreign markets.

As regards share-price setting, I feel confident in asserting that, of all countries engaged in privatization, none has taken more precautions than France, nor gone about it more professionally. The denationalization law set up a privatization commission composed of seven irreducible, government-independent members, unanimously respected for their integrity and professionalism. For each offering, the commission sets a minimum value that will not jeopardize the state's patrimonial interest. Below this price, the transaction cannot take place.

The commission takes into account the achievement of highly qualified banking teams — French and foreign — who participate in the assessment of each offering. For market transactions, I personally insisted that the issue price be set at 5 to 15 percent above the commission's assessment. A final and very important point:

The differentials between quoted prices and prices set for public offerings of French state-owned companies have thus far remained well below both (a) the disparities observed for other share issues on French markets and (b) those observed for privatizations abroad.

The article questions whether small shareholdings have actually become more numerous. A few figures will suffice. As a result of privatization, the number of individual direct shareholders has risen, in six months, from 1.5 million to 5.5 million, i.e., in terms of households, from 1.2 million to 4 million, an increase of more than 300 percent.

Concerning board representation of small shareholders, and contrary to the article's assertions, French law does in fact allow proxy voting at shareholders' meetings — whether the company is privatized or not. I would also point out that some newly privatized firms have acted to promote board representation of small shareholders' interests in ways that are certainly innovative by international standards.

The article criticizes the point of caricature the formation of a group of long-term shareholders. Such an attack reflects a misconception of corporate and market realities. If 100 percent of their shares were sold to the general public, the equity of privatized companies would not just be splintered, it would be atomized. These firms would be helpless to ward off takeover bids.

They must therefore be provided with a stable core of shareholders determined to defend them. How were we to choose this core? Some suggested that the state

shoulding more than 4.5 million in May alone. As a consequence, the number of French shareholders has slightly more than tripled. In every instance, 10 percent of equity has gone to company employees. These are the plain facts about the results of French privatization. They hardly seem to me to justify the title chosen for your article.

EDOUARD BAILLARD,
Finance, Economics and
Privatization Minister, Paris

For More Milk, More Feed

In "How the New Green Revolution Could Bring Famine" (May 23), Giles Merritt writes that "bovine somatotropin, or BST, is a growth hormone produced by gene-splicing that offers increases of 15 to 20 percent in milk yields without extra feed costs."

It is not true that there would be no "extra feed costs." More milk can be produced only if extra feed (concentrate) is made available to the animals treated with BST. Otherwise, the animal would have to mobilize body substance and to convert it into milk, and ultimately drain itself into its own demise.

Luckily, BST will not do this, as trials with dairy cows in France have shown — since no additional concentrate was supplied, treatments with BST did not increase milk yield. Studies in the United States, Britain, the Netherlands and West Germany have confirmed this.

W. JOCHLE,
Denville, New Jersey

A Disciple of Joe-da-Barba's In a World of Unisex Parlors

By Richard Cohen

WHEN I was a kid, I went to a barber named Joe. His full name was Joe-da-Barba and he had a proper barber shop with a pole outside and copies of the Police Gazette inside. A child's haircut was 75 cents and no matter who you were and how you wore your hair, you got the same haircut.

All persons exited from Joe-da-Barba's with a clean part, half-moons

MEANWHILE

around the ears and a mighty wave in the front held in place by a form of concrete called Gentzel. To this day, if I don't wash my hair daily, it avastically assumes the frontal wave position.

I no longer go to such a barber; I don't even know if they still exist. Instead, for the price of a good meal I have my hair cut at a salon where Vanity Fair and Architectural Digest have replaced the Police Gazette. Rock music plays, wine is sometimes served and in neighboring chairs women discuss their hair with the solemnity of investment decisions.

Outside, people — maybe even people I knew — passed. Inside, I sat with a hair over my head as the barber worked me over with a blow dryer. Up to then, only women wore hair nets. Only women used blow dryers. I sat in the window like a chimp, my head hot, my face red. For sure, a sexual barrier had been passed.

Questions of courage occupy the thoughts of boys and men: How would I react in combat? What if the noise downstairs is really an intruder and not the radiator having an asthma attack? These questions have to do with manliness, with what is permitted. The bravest thing I do is stick my hand down the garbage disposal to retrieve a lost spoon.

I cannot summon the courage to do what I really want to do: have a facial. The New York Times reported about men who get facials. I have no idea just what a facial is, but I want one. I am told that a good facial is better than a year in therapy, that it treats both the face and the psyche. I will never know.

My hangup is generational. I can't imagine that in my entire neighborhood when I was a kid, there was a single man who ever had a facial. I can just imagine asking Al Gilbert, the vending machine man, if he had ever had a facial. He would have chased me into the street.

I would also like a massage. Uncle Joe was massaged once a week and credited it for his good health, longevity and maybe a healthy position taken early (around 1919) in AT&T stock. But he was of the generation that saw a massage as a manly rite, something sinewy men did to boxers to get the kinks out of their muscles. All that changed when homosexuality was discovered in 1969.

The same goes for manicures and, would you believe, pedicures. In the same article on facials, various men, all of them rich and successful, sang the praises of pedicures. I cannot imagine paying a person to manipulate my toes.

So these things remain on my wish list — along with driving a really big truck. But the older I get, the more I realize I might never get my facial, my massage, my manicure or, certainly, my pedicure. I am a creature of Joe-da-Barba, his disciple, a man who knows what's right and wrong, and what is not to be ventured.

The Washington Post

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A Palpable Hit, From Bergman

By Sheridan Morley

London — The Ingmar Bergman "Hamlet," which has come to the National Theatre on a brief visit from Stockholm, is a sharp reminder that after 70 stage productions in 40 years Bergman remains the most flamboyant and exciting of directors, albeit one still known in Britain more for films than plays.

Opening in a circle of spotlights on a bare stage, in sharp contrast to



The cast of "Blues in the Night."

the scenic excesses of the National's last visitors, the Schaubuhne of West Berlin with O'Neill's "The Hairy Ape," this is a production of constant surprises, some very much more welcome than others. Even for those with no Swedish, it was clear that Bergman has done very drastic things to a text that is evidently regarded as more changeable in Scandinavia than it is here. Whole speeches (for example Ophelia's crucial "O, what a noble mind is here o'erthrown") have disappeared, and characters have an amazing habit of turning up in scenes where you have never seen them before.

Ophelia, in a haunting performance by Perilla Ostergren, is thus inclined to wander around the stage like Alice in Wonderland, arriving in the middle of the closest scene between Hamlet and Gertrude or attacking her hair with scissors long before any mad scene written by Shakespeare. Bergman clearly doesn't care for sections of the text, notably the first three acts, which are raced through at amazing

speed before we come to linger over closing scenes of death and decay that are more to his liking.

Cladins is first discovered in a curious sexual attitude to Gertrude, while surrounded by applauding courtiers dressed as high court judges; later he goes to bed with the Player Queen. Polonius initially is only stabbed in the eye by Hamlet. He then emerges from behind the arras, Hamlet discovers who he is and then gets around to killing the old man, an idea that would seem never to have occurred to Shake-

speare, since the text makes it clear that Hamlet only knows he is the killer of Polonius after the event.

Then again, the ghost of Hamlet's father thoughtfully reappears at the end of the play to help his son kill Laertes, while the army of Fortinbras, having first come on stage apparently fresh from winning World War I, return as modern storm troopers complete with their own television unit for the recording of the final bloodbath. Hamlet is played largely in sunglasses and a black raincoat by Pe-

ter Stormare, while one of the most intriguing performances of the evening comes from Ulf Johansson as a sole gravedigger.

Yet for all its aberrations, this

remains a "Hamlet" of constant fascination. The too, too solid flesh is clearly melting all over the court, and in cinema terms what we have is a treatment of the original rather than a faithful rendering of it. Not all the liberties are forgivable, and some are barely coherent; but there are moments of such brilliance (Ophelia handing out rusty nails to the court, convinced in her madness that she is clutching rosemary for remembrance or the offstage gunshot that tells you Fortinbras has had Horatio killed to ease his succession to the throne) that you are more than a fifth inclined to forgive some of the attendant chaos.

In the title role, Stormare has something of the hollow-eyed despair of a young Max von Sydow, and this is perhaps above all a production for those already hooked on early Bergman films and keen to discover how he relates some of his own obsessions to a familiar plot. Not that the plot is all that familiar by the time he has got through with it. The National was perhaps wise not to provide any kind of translation, as even then it would have seemed distinctly foreign, the gravedigger drawing a worm from Yorick's skull, Hamlet kissing Horatio's lips in a rare moment of genuine love. Bergman's point would seem to be that this is a court where everyone is everywhere all the time, and where the disaffected, disenfranchised, disengaged central figure can see nothing around him but unnatural sexuality and corruption of all available flesh.

The show is played on a manic high, in states of modern undress, and though I have seen more classical and coherent renderings, I have never seen one that so constantly emphasized the sexual and social decay of a court where lechery and espionage are the major occupations of the residents.

□

It was the old dead-behind-those-eyes Archie Rice in Osborne's "The Entertainer" who

once talked unforgettable about the life-affirming qualities of the blues sung in the middle of the American night. Something of that spirit is captured at the Donmar Warehouse in Covent Garden where a show originally nominated for a Broadway Tony in 1982 has made its London debut. "Blues in the Night" is a blues musical set in a seedy Chicago hotel in the 1930s, but it is also a show that someone seems to have begun to write and then abruptly abandoned in favor of a nostalgic song-by-song anthology. Thus we get an intriguing set by Michael Pavlik consisting of a bed, a dressing table, chairs and a cabin trunk full of old costumes, any of which could probably tell a story.

We also get four characters given thumbnail identification (woman of the world, girl with a date, man in saloon, lady from the road) and it looks as though somebody may once have thought of bringing them together in relationships that could explore two dozen of the greatest blues songs ever written and maybe give the musical some sort of dramatic structure. Instead, they have settled for what is essentially a tribute to Bessie Smith, though others celebrate Vernon Duke, Harold Arlen, Johnny Mercer and Jimmy Cox. Almost all are songs of lost love, lost dreams, wasted lives and broken spirits, which is why Carol Woods taking the roof off with "Take Me for a Buggy Ride" is such a first-half bonus.

By the second half, Woods has taken over as the true star of the evening, belting out the blues that once defined Bessie Smith before joining the other three (Debby Bishop, Clarke Peters and Maria Friedman) for company treatments of "Nobody Knows You When You're Down and Out" and "I Gotta Right to Sing the Blues." By then, two hours into the evening, "Blues in the Night" becomes a joyously theatrical and sweaty celebration of great American music.

A Polish 'Godunov': Drama and Grandeur

By David Stevens

International Herald Tribune

PARIS — Mussorgsky's "Boris Godunov," in a curious amalgam that comes from Warsaw's Teatr Wielki — Poland's leading state opera house — with important vocal reinforcements from the Soviet Union, is installed for a two-week run at the Palais des Congrès. Curious because opera is not one of Poland's customary exports, and because it is poignant to find a kind of Polish-Soviet collaboration on a work whose historical background is in part about Polish-Russian rivalry. Cultural politics makes strange bedfellows.

In any case the production, conceived for the vast stage of the Wielki and first mounted there in 1983, is an interesting one presenting Mussorgsky's vast fresco on a large scale, but in a series of fast-moving, almost cinematic changes that do not require a curtain between scenes. Essentially the stage is an open, steeply raked space with a backdrop of coarse fabrics. The drama and the grandeur of its historical events are suggested with often sumptuous costumes and fragmentary scenic elements instead of ponderously realistic constructed sets.

What is on view here may not be as impressive as in Warsaw, where the Wielki has one of the largest and most sophisticated stages in Europe, but the effect at the Palais des Congrès is impressive due to the wide stage and the reliance on the production on scenic elements that descend from the flies or slide from on the wings (although in Paris the sliding has to be done manually). It is a production meant to be seen from a distance, and in that sense it probably works better visually on the wide stage where it is being seen here than it would in a more conventional theater.

The first four scenes flow without a break in Marek Grzesinski's production. The link is shrewdly made by having Pimen, the monk-chronicler, stationed at a lectern in a corner of the stage from the beginning, as if silently observing and recording the events leading to Boris's coronation. He comes to life in the third scene, which ends with the young monk Grigory shedding his monastic garb as the set for the inn of the following scene is rolled on from the opposite wing.



A scene from "Boris Godunov."

Interestingly, no special effort is made to give the so-called Polish act a particularly exotic air. It has the same general color and atmosphere as the other scenes, as if to say this is only part of the same drama. It is also subtended to the czar's tortured character, Michael Zemlyano, who is normally employed in Novosibirsk as a Pimen of easy sonority at any depth. But the surprise was Vladimir Shcherbakov, an authentic dramatic tenor (from the Bolshoi) with an easy, trumpeting top that lent excitement to the false Dmitry's ambitions, and without the stridency that often comes with the Russian school of tenorizing.

The rest of the many roles were generally well handled by the home team, notably Kazimierz Pustlak's

he was heard in the role in Paris 18 years ago with the Moscow company; there is no longer much top to his voice, but he has a warm mid-range, imposing presence, an expressive phrasing, and he brings vast experience and understanding to the czar's tortured character.

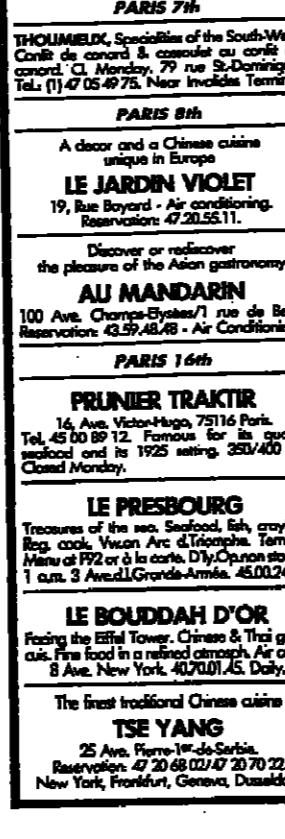
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It would have been nice if this had been a Polish show from top to bottom, but for a run of almost daily performances the Warsaw company evidently needed key vocal reinforcements. For all but one performance, the title role is rotated among three Soviet basses, and for the bass role of Pimen and the tenor Grigory/Dmitry, two of the three in each case are from Soviet opera houses.

Sunday it was the veteran Bolshoi bass Alexander Vederikov —

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NYSE Most Actives					
Val.	High	Low	Last	Chg.	
AT&T	274.25	264.14	271.25	+ 2.75	
General Elec.	340.45	335.35	345.45	+ 4.95	
General Mills	110.01	108.00	112.00	+ 2.00	
IBM	250.00	242.00	242.00	+ 2.00	
Ford Motor	120.00	118.00	121.00	+ 1.00	
CTE	10.50	9.50	10.50	+ 1.00	
Compaq	134.45	134.35	135.50	+ 1.05	
Comshare	112.00	109.00	112.00	+ 1.00	
Electric	112.00	109.00	112.00	+ 1.00	
Alcoa	110.00	107.00	110.00	+ 1.00	

Market Sales					
NYSE A.M. volume	157,770,000				
NYSE prev. coms. close	179,188,490				
NYSE A.M. coms. close	170,520,000				
OTC A.M. volume	12,210,000				
NYSE volume down	170,663,000				
NYSE volume up	181,643,145				
NYSE volume down	7,903,805				
Amex volume down	1,145,400				
Amex volume up	6,274,600				
OTC volume down	7,823,200				
OTC volume up	35,235,091				

NYSE Index					
High	Low	Close	Chg.		
Commodities	171.35	171.45	171.35	+ 0.75	
Industrials	208.44	207.27	207.27	+ 1.00	
Utilities	74.94	74.85	74.94	+ 0.22	
Finance	154.49	154.59	154.49	+ 0.21	

Tuesday's NYSE Closing

Via The Associated Press

AMEX Diary					
Close	Prev.				
Advanced	225				
Declined	225				
Unchanged	247				
Total Issues	452				
New Lows	5				

NASDAQ Index					
Class	Chgs.	Year	Adv.	Decl.	Chg.
Composite	422.52	+ 2.14	221.67	223.23	+ 1.75
Industrials	422.52	+ 2.14	221.67	223.23	+ 1.75
Transport.	422.52	+ 2.14	221.67	223.23	+ 1.75
Utilities	422.52	+ 2.14	221.67	223.23	+ 1.75
Finance	422.52	+ 2.14	221.67	223.23	+ 1.75

AMEX Most Actives					
Wicks	146.01	+ 4.75	146.01	146.01	+ 4.75
Hirsch	117.00	+ 2.00	117.00	117.00	+ 2.00
Vlach	74.03	+ 2.40	74.03	74.03	+ 2.40
Wells	112.00	+ 2.00	112.00	112.00	+ 2.00
Wells Fargo	112.00	+ 2.00	112.00	112.00	+ 2.00
GEICO	127.00	+ 2.00	127.00	127.00	+ 2.00
GEICO	127.00	+ 2.00	127.00	127.00	+ 2.00
Block	227.00	+ 2.00	227.00	227.00	+ 2.00
Block	227.00	+ 2.00	227.00	227.00	+ 2.00
NY Time	212.00	+ 2.00	212.00	212.00	+ 2.00
Amex	204.00	+ 2.00	204.00	204.00	+ 2.00

Dow Jones Bond Averages					
Close	Chg.				
Bonds	+ 0.50				
Utilities	+ 0.57				
Industrials	+ 0.43				
	+ 0.43				

NYSE Diary					
Close	Prev.				
Advanced	636				
Declined	632				
Unchanged	471				
Total Issues	1,768				
New Lows	11				

Odd-Lot Trading in N.Y.					
Buy	Sales	Shrs.			
June 15	276,360	55,324			
June 16	276,533	43,424			
June 17	303,546	43,424			
June 18	247,718	59,264			
	Included in the sales figures				

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Dow Reaches New Record High

Compiled by Our Staff From Dispatches

NEW YORK — Prices on the New York Stock Exchange rose Tuesday to record levels, pushing the Dow Jones industrial average to an all-time high.

The Dow, which had advanced 9 of the past 10 sessions, climbed 15.81 to 2,407.35, surpassing its previous record of 2,405.54 set on April 6. Advances led by an 8.87 ratio. Volume was about 15.42 million shares, up from 15.92 million traded Monday.

Prices were mixed in active trading of American Stock Exchange issues.

"This action astounded a lot of traders," said Peter Furniss of Seni Barney, Harris Upham & Co. He said that when the market refused to retreat, buyers had to come in from the sidelines.

The concerns that were weighing on the market in April and May have eased significantly, said Monte Gordon, an analyst at Dreyfus Corp.

"What we're looking at is a mood change," Mr. Gordon said. He said that several weeks ago, investors were worrying about a falling dollar and a rise in interest rates. "It looks like the dollar has at least temporarily stabilized. That's the trigger."

But he noted that underlying problems such as the U.S. budget deficit and the trade deficit have not been solved. The Dow "could go as high as 2,450, but between here and there it will be increasingly vulnerable to a small correction," he said.

Larry Wachtel of Prudential Bache Securities noted that volume was moderate and gainers had only a modest lead over losers.

(Reuters, UPI)

"This isn't going to bring in the money managers," he said.

The NYSE was narrowly lower for most of the morning as an approach to record levels, profit-taking in the bond market and a slightly weaker dollar inspired caution among equity investors.

Buying picked up as bonds erased morning losses. The broad market followed blue chips into positive territory by early afternoon.

The driving force is that at the end of the quarter, money managers are going to be forced to play the market even if they don't understand why they are playing," said Ralph Bloch, senior vice president and chief market analyst at Raymond James & Associates in St. Petersburg, Florida.

"In the past," he said, "too many of them have missed advances and have underperformed the market."

American Telephone & Telegraph was the most active NYSE-listed stock, gaining 3/4 to 27/4.

Southern Corp. opened, jumping 8 3/4 to 64 1/2, after a delayed opening caused by an order imbalance. Traders said that he had rumors that a recapitalization plan was under way.

General Electric was third, down 3/4 to 53 3/4.

Mellon Bank gained 1/2 to 36 3/4. After the close Monday, Mellon announced a \$415 million addition to its reserves to cover foreign and domestic loans. Mellon said the move would result in a \$500 million loss for the second quarter.

Manufacturers Hanover, which said Tuesday that it was adding \$1.7 billion to its loan-loss reserve, advanced 3/4 to 45 1/4.

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MADISON AVENUE

Campbell-Mithun's Boast:
No. 1 in the Hinterlands

By PHILIP H. DOUGHERTY
New York Times Service

NEW YORK — Campbell-Mithun Advertising of Minneapolis, acquired last summer by Britain's Saatchi & Saatchi, probably is now the biggest U.S. ad agency outside New York and Chicago, according to the boss. William D. Dunlap, Campbell-Mithun's chairman and chief executive, said during a recent trip here that the agency is billing at a rate of \$425 million worth of accounts a year, compared with \$200 million when he joined in 1981 as president.

He expects that figure to climb to 10 an annual rate of \$450 million by the end of this year, up from \$380 million last year. He said that for the Saatchi & Saatchi fiscal year ended Sept. 30, 30.

It claims to be the hottest "new product" agency in the United States.

Mr. Dunlap, 49, is equally pleased when he talks about an improved creative product. He arrived at Campbell-Mithun after starting at Procter & Gamble Co., where he was marketing director. He moved on to the U.S. Postal Service as assistant postmaster general for consumer marketing, and then to MCA Advertising, where he was a founder and president.

Mr. Dunlap has been investing a considerable amount of time and money on the agency's creative side. He believes he has accomplished this at its Minneapolis headquarters and now intends to turn his efforts to the Chicago office, which handles about one-third of the agency's billings.

He should find it far easier to import talent to Chicago than to Minneapolis, although he claims that employees love Minneapolis after they get there.

Campbell-Mithun Advertising has 15 new products that are rolling into national distribution and four more waiting in the wings. Mr. Dunlap asserted, "I think we are the hottest new product agency in America." The products include Suddenly Salad and Ice Cream Cone Cereal from General Mills Inc.; the Blizzard, a gooey soft shake treat from Dairy Queen; a Window-Insulation Kit from Minnesota Mining & Manufacturing Co.; and Texura, a product that gives body to fine hair, from Lannstar Inc.

TO "MAKE margins and to succeed over time," Mr. Dunlap said, "companies have to be first or second in a category and have new products adding to the arsenal all the time."

Charles Jones, 39, a financial consultant, has become the first chief executive in North America for Shandwick PLC, his former client and a publicly held British company that he described as the world's largest independent public relations group.

Since embarking recently on a buying spree in the United States, Shandwick has acquired Rogers & Cowan of Beverly Hills, California; Henry J. Kaufman Associates, an advertising and public relations firm in Washington, and Rand Public Relations in New York.

All of those acquisitions were arranged by First Funding Corp. of Stamford, Connecticut, of which Mr. Jones, an American, has been managing director.

For some people the essence of a Rolls-Royce is the luxurious scent of its leather upholstery. Accordingly, Rolls-Royce Motors, the Lyndhurst, New Jersey, maker of the British luxury vehicle, has bought a spread in the July issue of Architectural Digest magazine featuring a lot of leather interiors and carrying a scent strip manufactured by Webcraft Technologies. Scratch the strip and inhale the redolence of the finest British leather. The headline: "This, in essence, is Rolls-Royce."

For readers whose buying juices are thus activated, the ad carries a toll-free 800 number to arrange for a test drive.

Currency Rates

June 16										Other	
Cross Rates		U.S.		D.M.		F.F.		I.L.		Other	
From	To	U.S.	DM.	DM.	U.S.	F.F.	U.S.	I.L.	U.S.	DM.	Yen
Amsterdam	DM	1.265	112.45	32.72	1.165	—	5.625	135.82	142.60	—	—
Brussels	DM	1.2745	20.271	5.3288	18.045	—	5.855	145.45	145.23	—	—
Frankfurt	DM	1.477	—	38.93	1.2825	4.824	1.1505	120.85	120.85	—	—
London (b)	DM	1.4337	—	2.983	0.9506	3.333	1.025	121.55	121.55	—	—
Milan	DM	1.61375	21.625	72.15	1.4165	4.624	1.1505	122.50	122.50	—	—
New York (c)	DM	1.61375	21.625	72.15	1.4165	4.624	1.1505	122.50	122.50	—	—
Paris	DM	1.6025	2.978	33.60	—	—	—	—	—	—	—
Tokyo	DM	1.4440	22.28	72.2	2.75	10.16	76.28	30.05	30.63	—	—
Zurich	DM	1.5148	32.19	82.9	34.89	0.315	72.71	20.59	20.59	—	—
1 ECU	DM	1.1102	0.955	2.616	0.6242	1.9224	2.2004	41.05	41.05	1.274	188.901
1 SDR	DM	1.288	0.7670	2.3625	0.6002	1.9224	2.2004	41.05	41.05	1.288	188.901
Cashes in London and Zurich, Values in other European centers. New York rates of 1 P.M. (a) Commercial rate (b) American needed for day rates quoted (c) American needed to buy one dollar (1) units of 100 (1/2 units of 1,000) (1/2 units of 10,000) N.O. not quoted; N.A. not available. T= To day rate; S= source: 145.1295											

NatWest
Adds to
Reserves

£466 Million
On Debt Risk

By Warren Gerler
International Herald Tribune

LONDON — Britain's largest bank, National Westminster Bank PLC, said Tuesday that it was raising its reserves against possible loan losses by £466 million (\$760 million at current rates) for the first half of 1987.

NatWest, which has the smallest exposure to Third World debt among Britain's Big Four clearing banks, said the provision would reduce — but not eliminate — profit for the half of 1987.

The provision, the first by a British bank since Citicorp announced a \$3 billion set-aside in May, means that NatWest's first-half net profit will fall short of the £235 million net profit in the first half of 1986, the bank said. NatWest will report interim results on July 28.

Derek Bullman, banking analyst with the London brokerage James Capel & Co., said the firm had revised downward its projection for the bank's first-half pretax profit to £200 million, from an earlier estimate of £600 million, in light of the announcement.

"For the full year, we're projecting £200 million, down from the previous estimate of £1.27 billion," Mr. Bullman said.

Market reaction to NatWest's move was immediate and positive. The bank's share price soared to 753 pence, from 703 pence, boosting most other bank stocks with it.

Keith Brown, who monitors bank shares for Greenwell蒙古人 Securities in London, said, "NatWest's move was pretty much inevitable. They're just being more conservative than anticipated."

NatWest said that by adding £466 million to its debt provisions, the bank was raising its risk coverage to 29.8 percent, from 13 percent, on its £2.78 billion loan exposure to 35 countries with payment difficulties.

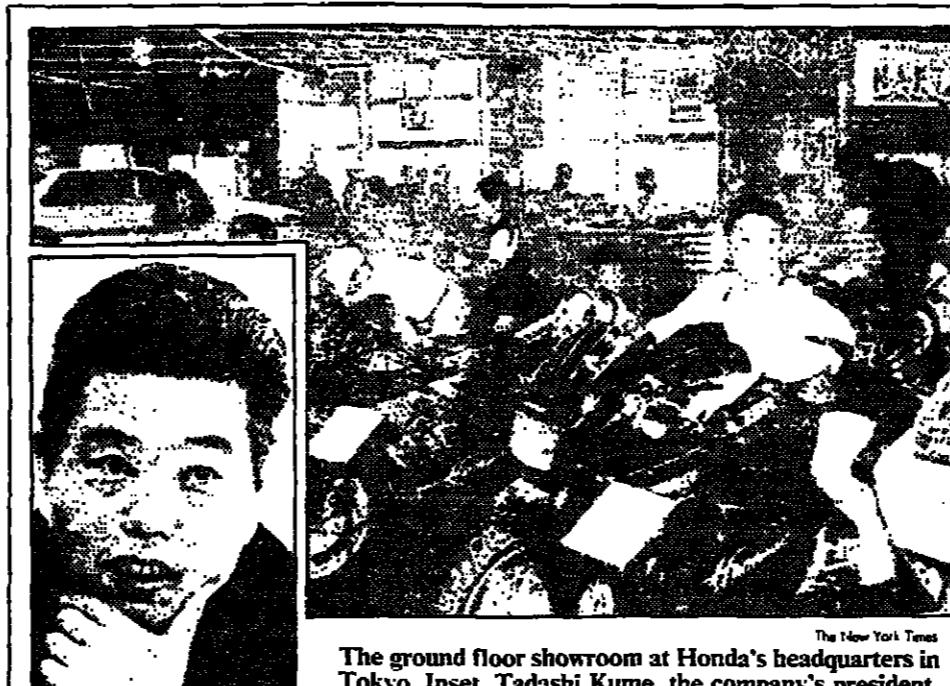
Of that total, Brazil accounts for \$483 million; Mexico, \$274 million; other Central and South American countries, \$298 million; and the United States, \$200 million.

See NATWEST, Page 14

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See NATWEST, Page 14



The ground floor showroom at Honda's headquarters in Tokyo. Inset, Tadashi Kume, the company's president.

Spirit of Adventure Drives Honda

But Innovative Car Maker Has an Image Problem at Home

By Susan Chira
New York Times Service

TOKYO — A bright aqua-colored car, one of Honda's latest models, is displayed in the center of the lobby of the company's new headquarters in Tokyo's chic Aoyama district. Dozens of motorcycles and several other cars crowd the first floor. Visitors can order soft drinks or coffee at a counter and sit to watch videotapes of Honda products. The scene is lively, sophisticated and freewheeling.

And it spily reflects Honda Motor Co., a bustling, risk-oriented company known for innovation and for doing some things in very un-Japanese ways. Many analysts believe that Honda's enterprising spirit has been primarily responsible for its dazzling success.

That spirit is epitomized by Tadashi Kume, Honda's president. While still a young engineer, Mr. Kume walked out after failing to convince Soichiro Honda, the company's strong-willed founder, that Honda should switch from air-cooled to water-cooled engines.

Lured back by a promise that he could work on a new engine, Mr. Kume and like-minded engineers came up in 1971 with a technological triumph, the fuel-efficient CVCC, the first engine to pass strict U.S. exhaust emission standards.

Now Mr. Kume says he wants his employees to follow his example, flouting the Japanese convention that a junior employee should not question his senior.

"I want them to do what I did to *oyaji-san*," Mr. Kume said, using a familiar and affectionate term for Mr. Honda.

"If juniors don't rebel against their seniors, that means there is no progress," he said.

It is this adventuresome attitude that drives Honda. Although the company did not produce its first car until 1963, it became the first of the Japanese companies to manufacture cars in the United States, in 1982. Last year, it became the top-selling Japanese car company in the United States, surpassing such rivals as Toyota Motor Co. and Nissan Motor Co.

And with its introduction last year of the Accra line, Honda became the first Japanese automaker to move into the luxury-car market.

But even as Honda rides high, it faces challenges on several fronts. Toyota and Nissan still lead Honda in Japan. Honda has deftly reached out to young people with sporty, low-priced cars, but is still trying to come up with a car to appeal to the growing ranks of middle-aged buyers.

The strong yen continues to depress profits and — for the first time since the yen began its rise against the dollar two years ago — is cutting into sales as well.

Moreover, the small-car market in the United States is expected to grow increasingly competitive as U.S. manufacturers offer better-quality cars and as South Korea increases its offerings.

With the possible exception of Toyota, however, Honda may well be the Japanese automaker best equipped to surmount these challenges, drawing on its tradition of innovation, a devotion to advanced engineering and a carefully cultivated esprit de corps.

These qualities have been inherited from Honda.

See HONDA, Page 17

Japan's GNP
Rose 1.2% in
Final Quarter

Reuters

TOKYO — Japan's gross national product rose an inflation-adjusted 1.2 percent in its fourth fiscal quarter after a downwardly revised 0.7 percent increase in the previous three months, the Economic Planning Agency said Tuesday.

The rise in the third quarter, ended Dec. 31, had been estimated at 0.8 percent.

The growth rate in the fourth quarter ended March 31 accelerated to 4.9 percent on an annual basis, from 2.9 percent in October.

Housing is expected to remain buoyant, backed by lower interest rates, as well as government policies to stimulate the sector, he said.

However, the EPA reported that the performance for fiscal 1986-87 was the worst since 1974-75. For the year ended March 31, GNP rose 2.6 percent, after a 4.3 percent increase in 1985-86, and was below the government's revised forecast of 3 percent.

In fiscal 74-75, GNP, the total output of good and services, contracted by 0.4 percent.

Economists said the strong yen was largely to blame for the slowdown in economic growth in 1986-87. The yen's 45 percent rise against the dollar in the past two years has hurt Japan's exporters, forcing them to lose profits and sales as well.

But a large part of the bounce in the January-March quarter resulted from a recovery in exports. While that is good news for the economy, it is bad news for Japan's efforts to soothe U.S. anger over its large trade surplus.

Domestic demand increased 0.7 percent in the January-March quarter and 4.3 percent for the fiscal year, compared with growth of 0.6 percent in October-December and 3.7 percent in 1985-86.

Government officials, including Finance Minister Kiichi Miyazawa, said the worst may be over for the Japanese economy after the news of the stronger-than-expected growth in the January-March period. They said that Japanese consumers were starting to spend more and companies seem to have finally reduced inventories.

But private economists were not so sure and said the economy was

Housing Starts
Slump in U.S.,
But Output Rises

Reuters

WASHINGTON — U.S. housing starts slumped in May to the lowest level in two and a half years, but production at the nation's factories increased, the government reported Tuesday.

Housing starts fell 2.7 percent last month to an annual rate of 1.62 million units, the lowest rate since December 1984, the Commerce Department said.

The May decline in housing starts followed a revised 3.8 percent drop in April. The April decline originally was reported as 2.9 percent.

The Federal Reserve Board, meanwhile, reported that U.S. industrial production rose 0.5 percent in May after a revised 0.1 percent decline in April. The drop in April was originally reported as 0.4 percent. The Fed said that the gains in output were widespread.

The decline in new housing construction is certain to renew fears that rising interest rates could strangle growth in the sluggish U.S. economy.

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COUNTRY	RUS. \$	US \$
Australia	109	109
Belgium	221	221
France	221	221
Germany	202	202
Iceland	16	16
India	387	387
K. S. R.	1291	1291
Malaysia	185.4	2049
S. \$ equivalent	166.3	2049
THAI YENI	580.0	574

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Mitel Looking for New Chairman

By Arthur Higbee
International Herald Tribune
Mitel Corp., a major Canadian maker of telecommunications equipment, is looking for a new chief who can keep it on track toward a return to profitability.

The company said its current president and chief executive, Anthony F. Griffiths, had fulfilled his mandate and would move up to chairman. A directors' committee of the Kanata, Ontario, company will select his replacement.

Mr. Griffiths, 55, put Mitel on a solid financial footing after several years of losses, a spokeswoman said. The New York Times.

Mr. Griffiths will succeed David Golden, 66, as chairman. Mr. Golden, who is associated with Teletel Canada, was not involved in Mitel's day-to-day operations. Mr. Griffiths' role as chairman is still to be defined, the company said.

In the fiscal year ending in March 1986, the company lost \$160.2 million Canadian dollars (\$120 million). It reduced that loss to \$80.5 million in the most recent year.

Mitel's financial rescue came from British Telecommunications P.L.C., which bought 51 percent of the company in March 1986 for about \$288 million.

The U.S. Commerce Department's newly designated assistant

secretary for trade development is Charles E. Cobb Jr., chairman and chief executive officer of Arvida Disney Corp., a resort development company in Miami. Mr. Cobb, 51, was nominated Tuesday to replace Harold Peter Goldfield, who has joined the Washington law firm of Swidler & Berlin. Mr. Goldfield, 35, also heads his own firm, Strategic Resources Corp.

General Signal Corp. of Stamford, Connecticut, a manufacturer of process control equipment, said its Leeds & Northrup International subsidiary in Birmingham, England, has formed Leeds & Northrup Europe to consolidate European operations. It will be headed by Eugene E. Geraci, an American, as vice president for Europe. He will continue to be managing director of Leeds & Northrup U.K. and Ireland.

Philips International of Eindhoven, Netherlands, which runs foreign operations for the Dutch electronics giant, has promoted Peter F.M. Ooms to director in charge of its Scientific and Analytical Equipment group. Mr. Ooms, 45, had been manager of Philips Welding Co. of Utrecht, the Netherlands.

He replaces Peter van Dalen, who had been promoted to manager of the Industrial & Electro-Acoustic Systems Division.

Barclays Bank PLC said its in-

vestment banking arm, Barclays de Zoete Wedd, has formed a new subsidiary to deal in the full range of U.S. government securities: Barclays de Zoete Wedd Government Securities Inc. Barclays said it has hired four professionals from Kidder Peabody & Co., the New York investment firm, to manage the new firm. They are Bernard Grisby, 38, who will be chief executive officer; Samuel Marrone, 43, chief operating officer, and Andrew M. Kessel, 31, and Robert L. Harding, 33, as directors. Mr. Harding will be based in London; the others, in New York.

Barque Nationale de Paris has promoted Baudouin Prot, a senior vice president, to deputy to the senior executive vice president, Jean Gagné. Mr. Prot, 36, a graduate of both the French school of commerce and the Ecole Nationale d'Administration, attained the rank of *inspecteur des finances* in the French government before joining BNP in 1983. Since 1985 he has been director of the European department in the international division.

S.C. Johnson & Sons Co., the Racine, Wisconsin, maker of household products, has promoted Jacques E. Andriessens to regional director for Europe. Mr. Andriessens, 53, a Belgian, had headed La Johnson Francaise in Paris since

Bates Europe Recruits Chief For Client Ties

International Herald Tribune
LONDON — Ted Bates Worldwide has recruited Thomas F. McGuire, a linguist and veteran of European advertising, as senior vice president and director of international client service for Europe.

For the past six years Mr. McGuire has been an executive with BBDO in Brussels, Paris and London. He will be based at the Ted Bates Europe headquarters in London, supervising client relations and the search for new business, a Bates spokeswoman said.

A native New Yorker, Mr. McGuire, 36, is fluent in Italian, French and Russian in addition to English.

Ted Bates is the largest component of Saatchi & Saatchi of London, the world's biggest advertising company.

In 1980, he will be based in London. Hong Kong & Shanghai Banking Corp., the colony's quasi central bank, has promoted Peter Wrangham from general manager to executive board director, replacing Angus Petrie, who is retiring.

1980. He will be based in London.

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THE GLOBAL INVESTMENT HOUSE

Mellon Names Cahouet Chairman, Forecasts \$500 Million Loss

By Eric N. Berg

New York Times Service
NEW YORK — Mellon Bank Corp. has named as its new chairman and chief executive a banker known for his ability to turn around failing institutions, and has simultaneously forecast a \$500 million second-quarter loss.

The loss — after a \$59.8 million loss in the first quarter — reflects the bank's action to gird itself for mounting losses in its loan portfolio.

The new head is Frank V. Cahouet, who announced Monday that he would leave his post as president at the Federal National Mortgage Association. He replaces

J. David Barnes, who was dismissed by Mellon's board in April after the Pittsburgh-based bank holding company reported its first quarter loss and cut its dividend in half.

The selection of Mr. Cahouet, 55, received a warm response in the investment community, and Mellon's stock rose \$1.50 to \$36.625, Tuesday on the announcement.

Before joining Fannie Mae nine months ago, Mr. Cahouet (pronounced COH-ay) was chief executive of Crocker National Bank, an organization that had been hemorrhaging from bad loans. He restored

it to profitability so that it could be sold to Wells Fargo Corp.

Mellon's caretaker chairman, Nathan W. Pearson, said Monday that its directors had chosen Mr. Cahouet because they viewed Mellon's plight as similar to that of Crocker.

Before Crocker, he spent 24 years at Security Pacific Corp., where he built the bank's overseas operations in Europe and the Middle East, then

restored Mellon to profitability.

On March 31, Mellon's \$1.66 billion in problem assets equaled 7.1 percent of the bank's total loans and leases — one of the highest ratios in American banking. Mellon's net lending losses as a percentage of loans and leases nearly tripled last year, to 0.86 percent, from the 1982 level. And its reserve for loan losses — an indicator of what a bank's management thinks lies ahead for

restoring Mellon to profitability will take time, analysts said.

"Cahouet is a good, proven manager, and he did a marvelous job at Crocker," said Douglas Stone, an analyst at Prudential-Bache Securities.

"But the problems at Mellon go a lot deeper than Dave Barnes. We're talking of a breakdown in credit quality. That is something one guy cannot fix immediately."

Equally troubling, analysts say, is that so much of Mellon's problems stem from bad energy loans. If Mellon chooses to restructure these loans or to sell energy-related assets acquired in foreclosure, it will undoubtedly suffer losses, analysts say.

But the alternative may be worse: continuing to tie the bank's financial future to the oil market.

"Individuals can make a difference in situations like this, but individuals cannot alter the time element," said Dina I. Oddis, an analyst at Janney Montgomery Scott Inc., a brokerage in Philadelphia.

Mr. Cahouet, however, who will move to Pittsburgh next Monday and start work that day, thinks the problems are manageable. He said Monday that he would not have accepted the job had he felt Mellon was a lost cause.

The cool head will be needed, if you're to take sensible decisions in a market where the rewards can be exceptional, but the risks can also be very high indeed.

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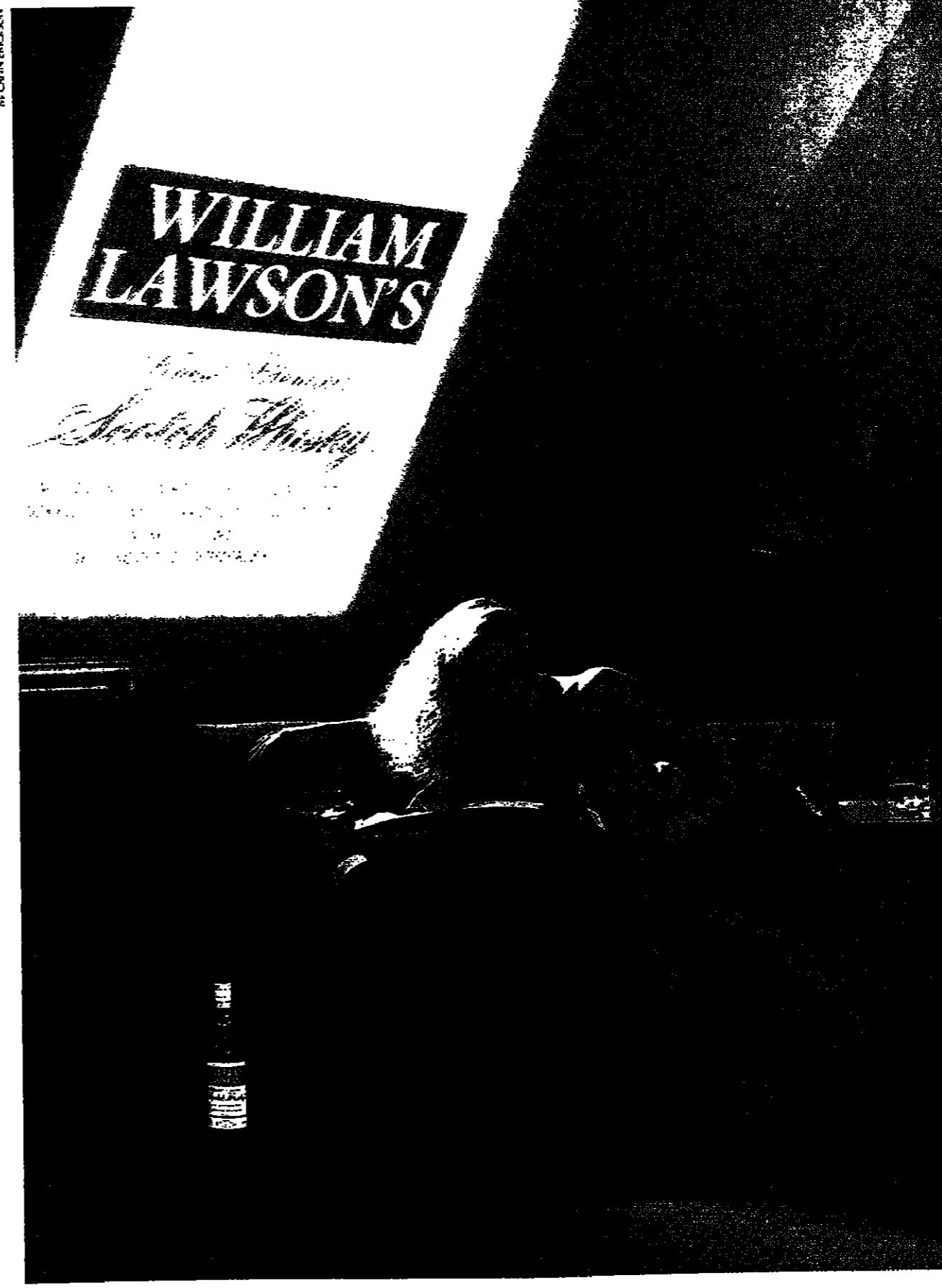
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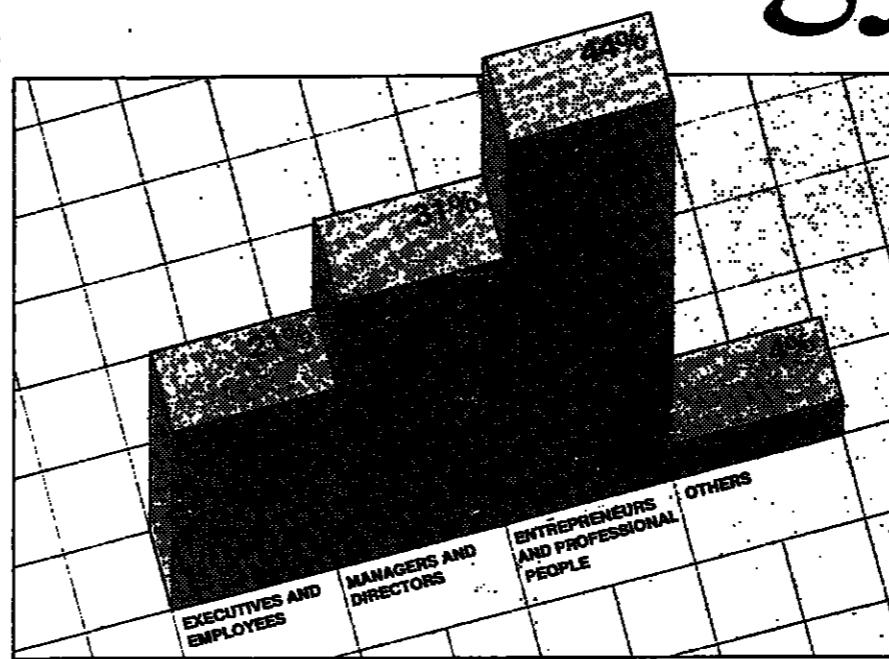
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Tuesday's
AMEX
Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Fig. The Associated Press.*

(Continued on next page)

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L Although nearly all (95%) **Il Sole 24 Ore** readers own a colour tv set, they're not great radio or television fans: on average, they only watch television for one hour eighteen minutes a day, while the national average is more than four hours.

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Dollar Little Changed In Sluggish Trading

Compiled by Our Staff From Dispatches

NEW YORK — The dollar closed little changed Tuesday in slow trading as a disappointing report on U.S. housing starts and some overnight selling in the Far East and Europe stalled its strong two-day advance.

Traders said that some short-covering in New York helped the dollar recoup some of the overseas losses and bring it back near the previous day's levels.

The dollar ended at 1.8290 Deutsche marks, unchanged from Monday's close, and at 144.70 yen, down from 144.85. It rose to 6.1055 French francs from 6.1025, and to 1.5220 Swiss francs from 1.5160.

The U.S. currency closed higher against the British pound, which ended at \$1.6295, against \$1.6305 on Monday.

The Commerce Department said that housing starts fell 2.7 percent in May to a seasonally adjusted annual rate of 1.62 million units, the slowest rate since December 1984. In addition, Americans took out building permits for new homes at an annual rate of 1.48 million, a pace that was 7.6 percent slower than in April.

"The decline in housing starts and permits were much greater than the market thought they would be," said Daniel Holland, vice president of Discount Corp. in New York. "The economic stats we've seen still bode for a lower dollar."

Mr. Holland said that the elec-

London Dollar Rates

Closing

Deutsche mark

French franc

Japanese yen

Swiss franc

French franc

Source: Reuters

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OBSERVER

An Innocent Abroad

By Russell Baker

NEW YORK — From England Minister Margaret Thatcher has been asked to meet before her re-election victory.

The pleasure this gives American newsmen may puzzle millions who know Bascom only as one of the United States' most glittering media stars. Truth is, a lot of media types think Bascom has been asking for a stiff kick in the ego ever since he had his nose bobbed, eyes tucked and glasses refashioned after that first appearance on "Come Clean, Senator."

The show's guest that Sunday was Senator Ted Speesius, famous for being so dull he could talk two days on the difference between a title and a job. Bascom's first question, he later admitted, was a desperate effort to keep the old gasbag from talking the show to death.

"Senator," Bascom asked, "have you ever committed adultery?"

Back then, in the Dark Ages before political reporters discovered sex pulled a bigger audience than gross national product, Bascom's question was so outrageous and so unexpected that poor old Speesius let the truth rip right out of him.

"Many times," he said.

With killer instinct, Bascom immediately asked, "When was the last time?" "Two nights ago," replied the senator.

"With whom?" demanded Bascom, whose grammar was always strictly fourth-grade.

The senator replied, "I didn't get their names."

It got Speesius re-elected by huge majorities to two more terms.

It also made Bascom famous. Until then he had been working as Washington correspondent servicing a string of weeklies in the Gadsden Purchase. Now the TV people wanted him to ask fearless, rating-builder questions.

You know those questions: "Why do you kick your cat when you get drunk, senator?" "Mr. Secretary, were you out to lunch when the brains were being passed out?"

So came success. A network contract to torment important politicians, careerists and stuffed shirts on "Meet the Press Gang." Thirty-date lecture seasons at \$25,000 per

New York Times Service

bromide. Syndicated column to give weight to his image.

But back to Thatcher. Bascom went over because it was what U.S. media biggies were doing this year. June is a sweet time to visit England, especially when there's an election in progress allowing you to charge the old expense account.

Bascom's problem was that he had gone soft from covering President Reagan too long.

He went to a press conference. It wasn't like the ones he was used to in Washington, with the president forgetting whether George Shultz was secretary of agriculture or the nice old man in "Anne of Green Gables" and the reporters asking detailed questions like, "Mr. President, are you aware that people like you are awful lot?"

Thatcher was something else. She was answering questions like: "Why are the turpits used in the soup kitchens of the West Riding of Yorkshire now being scraped instead of peeled?" "Who authorized the home secretary to replace the 60-watt bulbs normally used in prisons with 40-watt bulbs?" And answering as if she knew what she was talking about.

Bascom got recognized. "This is duller than arguing about the difference between a little and a lot," he said. "Are the British really dull enough to vote for somebody who thinks detailed knowledge about government is a substitute for charm?"

"Who is this wretched creature spouting rubbish questions?" she asked, and being told, "It's the American media star Bascom Jasper," she said, "Stand up straight, Bascom!"

And when he did: "Quickly. Name the capitals of the 50 states of your magnificent Union."

When he had finished, "Disgraceful," she said. "Helena is the capital of Montana, not Butte. Frankfort, not Louisville, is the capital of Kentucky, and North Dakota's capital is not Fargo, but Bismarck. You will stay 30 minutes after the press conference and write each of the 50 capitals 100 times in your notebook."

She smiled. "Do a good job, and after my next press conference I shall let you clap the erasers."

New York Times Service

By Joan Dupont

At Bongival, the Seine swells, greening the Ile-de-France, the region surrounding Paris. In that serpentine village, Gérard Depardieu owns a cluster of three houses above the road running east to Paris and northwest to his farm on the Norman coast. The actor bought the first house 12 years ago and, with his success, the two next door for the overspill of family.

At 38, with 60 films behind him, he has become the French Robert De Niro, in terms of range and impact. But he has the bulk of Nick Nolte and the bruised-looking face of a prizefighter, which he once was. A man of extremes, he swings easily — in life as in acting — from crude humor to lyrical outbursts.

"He is unique, he has the force, the virility and femininity," says the producer Daniel Toscan du Plantier, who has made 10 films with Depardieu, "a great popular actor and an artist."

"I'm the perfect turcoot," is how the actor puts it.

Depardieu came out of nowhere two decades ago to take over as the most gifted, most versatile European screen actor of his generation. He is known for appearing in up to six films a year, and he has become France's most popular actor. He is familiar to English and American moviegoers through such films as François Truffaut's "Le Dernier Métro" ("The Last Metro"); Daniel Vigne's "Le Retour de Martin Guerre" ("The Return of Martin Guerre"); Andrzej Wajda's "Danton," and Bernardo Bertolucci's "1900."

To the French press the 1986-87 season was *L'Année Depardieu*. In addition to portraying the radiantly idealistic title role in "Jean de Florette" and "Manon des Sources," a two-part film directed by Claude Berri from Marcel Pagnol's classic, he made three other films, including a role as a priest in "Sous le Soleil de Satan" ("Under Satan's Sun"), from a 1920s Georges Bernanos novel, directed by Maurice Pialat, which won the Golden Palm at this year's Cannes film festival.

For Depardieu, this exceptional season brought no prize — in March he was not even nominated for a César, the French version of the Oscar. Depardieu said nothing publicly. Word trickled out, though, that he was hurt, furious. He had already decided to take a year off, "to think things out," starting this spring.

Right off at an interview in his home, he talks about "this poor body, this envelope of flesh I drag around." The 6-foot-2 Depardieu, a man of unbridled appetite, has blown up to as much as 257 pounds.

"I lost 30 pounds for 'Jean de Florette.'

It was easy. But then I put on weight during



with gangs and took to the road. One day, at 15, on impulse, he followed a friend, Michel Pflögl, to Paris.

"Gérard was four years younger than I was," says Pflögl. "He was already impressive, a star. One day, I told him I was studying acting at the Théâtre National Populaire; he decided to come too. We all lived in a 2-b-4 flat my family had. The first day he got up to improvise in class, he had them all in stitches — it was something even though he agonized over his text."

Asked about Depardieu's having been a juvenile delinquent, Pflögl shakes his head. "Oh no, Gérard was always much too frightened — that's his force, that fragility. He was pulled in once, some fight with the local police, but nothing terrible. When he boxed — he used to do a lot of amateur boxing — he trembled. He has always taken risks, but he has always been fragile."

Despite his vow to take a year's leave of absence, he has said yes to the actress Isabella Adjani. The project is "Camille Claudel," shooting this August, the story of the poet Paul Claudel's sister, Auguste Rodin's mistress, a sculptor in her own right, who finished her life in an asylum.

He shows me a photo of Rodin, whom he will play, from a book. "I can do that," he says, "not the beard, but the rest." He plans to go to the Beaux Arts, "to work the clay, to get the feel of it."

"So you do have a method, even if it doesn't show on the set?"

"I have my ceremonies, just like De Niro. I work before, dreaming, preparing."

"Is De Niro an actor you admire?"

"Yes, and Dustin Hoffman. Al Pacino and, of course, Marion Brando. John Travolta is a friend, a brother." He especially loves the actors he calls the "ghetto greats": Chaplin, the Marx Brothers, Woody Allen. In England he goes for the classics: John Gielgud, Laurence Olivier, Ralph Richardson. And in France actors of the previous generation, Michel Simon and Raimu: "They could play in any rubbish, it didn't matter."

Does the future worry him? What if he had to stop acting? "That would be..." He seems subdued by the idea. "I could write, do other things." He thinks about it. "If I wrote, it might be very violent." What about the break he is supposed to be taking? "The sabbatical year?"

"I stopped for three months this spring and now I'm boozing. I'm like wine. I have good years and bad years. I'm a grand cru."

Joan Dupont specializes in reporting on the French cinema. This is excerpted from The New York Times Magazine.

PEOPLE

Prince Edward Miffed After Joust With Press

Prince Edward stormed out of a press conference at the end of a charity event organized by the 23-year-old prince in which members of the royal family and celebrities competed in games on a television show while dressed in medieval costumes. Edward, obviously proud of Monday's events, which raised about £1 million (about \$1.63 million), asked about 30 reporters, "Only hope you have enjoyed yourselves. Have you?" The question was greeted with virtual silence. Edward said, "Well thanks for sounding so bloody enthusiastic!" "Eddie Blows His Top," said the headline on Tuesday's Star.

"Edward Storms Out," declared The Daily Mirror. "Edward: It's a Walkout," read The Daily Mail.

In Munich Leonard Bernstein received the Ernst-von-Steuern Music Prize, a 150,000-Denmark mark award (about \$82,500) to promote music education in the United States. But earlier police said thieves took his watch, valued at \$16,000, from the cloakroom of the Deutsches Museum before he was to conduct a concert there. The concert was delayed by a bout of throat.

Tuesday was Bloomsday, thus is to say the day in the life of Leopold Bloom celebrated in James Joyce's "Ulysses." Devotees marked the fictional event in their own way. In New York, the main excitement was to be a reading by more than 100 actors from "Ulysses" and "Finnegan's Wake." Radio stations were broadcasting the session live, but Anne Meany's rendition of Molly Bloom's final "Yes" monologue was to be aired after 11 P.M., in deference to the ears of children. In Paris, where Joyce wrote "Ulysses," John Hume, European Community MP for the Social Democratic and Labor Party of Northern Ireland was at the Kilkenny O'Shea (Charles Stewart Parnell's mistress) room in the John Jameson (brand name of an Irish whiskey) restaurant to speak of the relations between France and Ireland in literature, history and politics. In Dublin, where the book is set, they were the customary pub crawls, pilgrimages and walks, even perhaps, into ecstasy across Sandymount Strand.

Gérard Depardieu, France's Leading Man



Actor Depardieu: "I'm like wine. I have good years and bad years."

the Pialat film, a lot of weight. I feel like a vegetable."

He talks about being depressed, bored. "Pialat and I, we got depressed, so we ate and drank."

"Is that what put on pounds?"

"Yes, the anxiety. I need to wash my head out from inside. I prefer staying by myself in a room when I'm in a bad mood, rather than pretending. When I'm angry, everybody gets hurt. I'd like to go to the country, but I can't leave Elisabeth alone with the children when she has work."

During the last 10 years Elisabeth Depardieu has organized a small theater troupe in the two-cave village of Bougival. She has acted with her husband on stage and screen in "Tartuffe," and plays Jean de Florette.

Depardieu calls his life with her a "work of love." They met in an acting class when he was 17, two years after he landed in Paris. Petite, with petticoat-piafne prettiness — the period look of the house owes a lot to her — this mother of two is not at all

a retiring woman. He speaks of her with admiration, saying, "She has a doctorate in psychology and had seven years of analysis. I never had education for reading, which makes me ashamed. When I close a book, I'm always afraid I forgot something."

Born in 1948, he was raised in a house without books. His parents, migrant workers settled in Chateauroux, a scarred, ugly city, then the site of U.S. air base. His father René preferred fishing to work, the barn to home. Eliette, the actor's mother, raised six children. Home was a battlefield, front with the mother pitting the children against the father.

Depardieu got out early. "At the age of 8, I was already big and in the street. Street life saved me." He bummed about, trafficking in blue jeans and cigarettes with the Americans, getting into jams.

"I got into acting to try not to be taken for what I looked like — a hoodlum," he says. "Acting saved me. Otherwise, I would have become a killer."

As a youth Depardieu hung out in bars

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